**Voice and Accountability**

**Voice and Accountability Citizens’ Participation and Oversight of Budget Processes in the Kyrgyz Republic, 2015 – 2019**

**Citizens’ Participation**

**and Oversight**

**of Budget Processes**

**in the Kyrgyz Republic**

**Project Documentation (ProDoc)**

II phase

April, 31, 2015 – March, 31, 2019





**2st draft revised**

**Submitted February 6 2015**

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# Executive summary

The overall goal of Swiss Cooperation in the Kyrgyz Republic is “to support the transition process by assisting public and private institution at all levels to deliver better services in an equitable and effective way”. “Voice and Accountability” Project (VAP) has been contributing to its overall goal: “to strengthen the ability of citizens to participate in the budget process at local level, and to ensure that local governments perform their responsibilities in using funds adequately for public services”.

In 2011 the “Voice and Accountability” Project (VAP) was launched and was planned to operate in all oblasts (7 regions) of the country on a region-by-region basis using pilot (target) methodology. Based on lessons learned and external assessment of the Phase I VAP shall focus on less regions for gaining more targeted results; as well as on the national level to ensure proper policy enabling and encouraging local participatory budgeting. The project completed a half- a-year Inception period in April 2012, and completed Phase 1 in March 2015 (operation in Issyk-Kul and Jalal-Abad oblasts – on local level). The Second Phase time-frame is planned for April 2015 – March 2019 to increase the number of evidences on the local level in different oblasts (Chui, Naryn and Osh) and to support Local government reforms focused on budgetary process, decentralization. April 2019 - March 2021 is the planned period for the Exit phase to ensure proper institutionalization of the results and overall support by the National policies, for country-wide dissemination.

DFID co-funded the Inception Phase of the VAP in 2011 as part of Public Finance Management reform project (demand side). In 2014 DFID provided additional funding to double the number of pilots (targets) in Issyk-Kul and Jalal-Abad oblasts and support of infrastructure improvements through grant program within the same regions (2 oblasts – pilots of Phase I) and activities on the National level to support budget transparency requirements.

**Results**

The Project implemented an innovative Model of Community engagement in the local budgetary process in the target municipalities, which enabled local communities to voice their needs, demand for accountability from LSGs. During Phase I VAP helped 28 target Municipalities in 2 oblasts to “strengthen the ability of citizens to participate in the budget process at local level” and to increase knowledge and capacity of respective LSGs. This has resulted in a high level of community engagement, awareness and trust towards target Municipalities; in addressing local concerns by infrastructure improvements in 53 municipalities. 131 LSGs gained knowledge, information and some practice in applying the community engagement Model. VAP’s operation revealed a great demand for many local service improvements which were voiced by the engaged residents. To address these concerns LSGs require specific knowledge and skills, as well as relevant policies enabling them to respond this kind of citizens’ requests. This need is out of VAP’s mandate and is a reason for PSI intervention.

The abilities of LSGs to respond to citizen’s needs depend on the enabling environment. The issues of enabling environment are being addressed by VAP through a focus on improvement of the legislation to enhance proper decentralization process, namely: on reforms to the inter- governmental finance system, on clarity over the funding of delegated competences and activities targeting the municipal service qualification improvement system; as well as on promotion of the community engagement in the budgetary process integration into legislation, on strengthening legal requirements for budget transparency towards LSGs. VAP intervened into policy advocacy efforts with the result that a very real threat to decentralization has been overturned. Nevertheless, National policies ensuring decentralization and predictable resources for LSGs remain unstable; various sectors tend to shift responsibilities for different services to LSGs without adequate resources (funds, HR, technical knowledge).

**Phase I Lessons learned**

VAP results, lessons learned and changing environment evidence that the context is still sensitive and there are many outstanding challenges which include both the legal framework and its implementation, which should be considered as strong arguments for continued VAP efforts on overall decentralization agenda and furthering legal institutionalization of the transparent and participatory budgeting model; as well as on increasing the number of municipalities using the participatory budgeting process through replicating the Model in other regions, and thus gaining more good examples to convince doubters of benefits of decentralization and spreading practices throughout the country.

Among main VAP results are the two, which are of a particular importance and need furthering through additional interventions from a different perspective: municipalities in pilot regions started action and budget planning based on community priorities (municipalities designed Joint Action Plans) in a transparent and participatory way. These planning practices revealed the need for more targeted efforts with regards to local services which need improvements of a systematic nature. Thus, JAPs could be starting points for transformation into Service Improvement Action Plans (SIAP) to address local concerns starting in the two oblasts, where VAP operated the Phase I. Further geographic expansion of VAP will ensure JAPs design in other regions for further service improvement agenda. The second result of the work on fiscal decentralization - is the progress on delineation of functions among Central and local governments in terms of state delegated functions. VAP achieved relevant legal and policy improvements, which need further strong interventions to ensure proper implementation. Intervention should be: general on delegation dialogue and promotion of adequate funding for performance of delegated functions by LSGs; and on specifics on services under those delegated functions. Intervention on general addressing the issue of delegated functions will be ensured by the VAP. As far as service delivery is concerned – improvements will be available to Kyrgyzstan from the Swiss Government through the PSI.

**Phase II expected results**

Phase II of will cover April 2015 – March 2019 period and expects to achieve the two main strategic goals for a 10-year VAP: increase critical mass of LSGs applying the VAP’s Model of community engagement in the budgetary process; and institutionalize achieved and further decentralization policy improvements. Thus, VAP expects the following results of the Phase II: citizen participation in local decision process will be ensured through ensuring that community driven budgetary framework is in place in municipalities of Chui, Naryn and Osh oblasts, citizens of these oblasts assess performance of LSGs and implementation of Joint Action Plans on addressing local concerns; Chui, Naryn and Osh oblasts LSGs governing and managing capacities will be improved to respond citizens’ needs, local community engagement in local budgetary process will be institutionalized in municipalities as a result of TA and increased knowledge and skills (including knowledge and skills in investment projects’ management) of LSGs servants and local councilors; municipal servants knowledge improvement will be systematized and institutionalized through improved municipal servants’ system including improvement of municipal servants qualification; relevant enabling environment will be achieved through improved and promoted national decentralization policy.

**Implementation Strategy**

To strengthen institutionalization of the Model practices available in Issyk-Kul and Jalal-Abad oblast and to ensure Model operation in municipalities throughout the country VAP needs to be expanded geographically to reach the critical mass sufficient to conclude that LSGs in Kyrgyzstan are accountable to local communities, local budgets are transparent. Thus, VAP under the 4-years Phase II will start implementation of the Model in other regions of Kyrgyzstan with planning a 2-years period for Model implementation and institutionalization on the level of municipalities. The Project needs presence close to the Central Government to have evidences in a short distance to argue for decentralization promotion, thus, the Phase II will start in Chui oblast. The Project needs to continue its coverage of both Northern and Southern part of the country which explains further implementation of the Model in Naryn (North) and Osh (South) oblasts over the course of the Phase II. As far as Issyk-Kul and Jalal-Abad oblasts are concerned, VAP will continue its limited presence through information dissemination regarding budget transparency, decentralization policy legal framework developments

Based on lessons learned during the Phase I, the Project implementing strategy for Phase II under the 10-years goal will be mainstreamed under the following two components:

* Work with local communities in three oblasts to increase their capacity to participate in the local decision making process as well as demand for budget and other public resources related information from LSGs, provide facilities to practice, provide feedbacks for national reforms, and share experiences. Results of the Phase I on the local level gave VAP the lesson on the need to strengthen sustainability (status) of the joint action plans as a tool to implement the Participatory Budgeting Model; need to enhance transparency mechanisms, including the format of public budget hearings; need for promotion of better cooperation between LSGs and regional representatives of the Central Government.
* Work with local governments and councilors in Chui, Naryn and Osh oblasts to strengthen their governing and managing capacity to respond citizens’ needs. Capacity development, practicing, communicating shortcomings and difficulties faced while practicing to the policy makers, practice and knowledge sharing will be the main components of strategy of VAP’s implementation on the level of LSGs. Implementation of small infrastructure projects as skills development and incentive to apply the Model will take place in municipalities of the three oblasts. The strategy includes not only capacity strengthening of local governments but also creation of enabling environment or favorable legal framework that promotes and enhance decentralization and LSG development. Efforts on the national level for proper environment will also have the community engagement topic as a focus and integral part of the overall legal framework. Based on lessons learned VAP shall pay a special attention during the Phase II to the need to continue National policy efforts through comprehensive work on legislation and cooperation with the key partners (legal advice, TA, consultancy, advocacy); need for strong partnership with the Parliament; need to continue interaction with the State Personnel Service to integrate VAP’s training modules; need to maintain partner relationship with the Ministry of Finance; need for stronger partnership with other Civil Society actors, specific groups.

# Context



## Social and Political Situation

VAP started in late 2011 as a 10-year long project when the Kyrgyz Republic just overcame the period of political and social instability, the non-constitutional change of government in April 2010 and ethnic violence in the South of the country in June 2010. A new Constitution was adopted, which created a parliamentary democracy with em­phasis on transparent systems, the fight against corruption and protection of human rights. With active participation of LSG development -oriented SCOs the new Constitution provided for decentralization through LSG recognition. It also confirmed the right of citizens for access to participation in budgetary process. In autumn 2011, the new Kyrgyz Republic Presidential elections were conducted and the first peaceful transition of presidential power in the modern history of Kyrgyzstan took place. A new government was created.

The new Government faced the urgent task of implementing a government system reform focused on balanced regional development and democratic forms of local government development. International and donor community’s agenda was focused mainly on TA to the Central Government, to the Parliament on Nation-wide Parliamentary democracy operation, as well as on conflict, mainly ethnic, mitigation and provision of direct assistance to the victims of the South ethnic violence.

Thus, there was a need in Kyrgyzstan to address the absence of a post-2010 decentralization/LSG policy orientation and the withdrawal of donors from the sector.

## Local Government development

During 2011-2013 the Government and the Parliament were concerned with urgent vital issues, such as the restoration of economic relations and the governance reforms. There was no clear message from the National Policy makers on LSG, regional governance system reforms. VAP has been implemented against the backdrop of competing political interests and threats to reverse decentralization. The year of 2013 was a critical point when decentralization advocates gained advantage.

In early 2013, the President of the Kyrgyz Republic presented the National Strategy for Sustainable Development (NSSD). Due to civil society pressure with VAP participation section on the development of local self-government (LSG) was added to NSSD. This section focuses on: improving the institutional framework of LSG and the harmonization of legislation; division of responsibilities and delegation of authorities between the central and local self-government, improving the provision of municipal services, improving the system of budgetary relations, financial sustainability and effective resource management of LSGs, improving LSGs accountability to local communities, and strengthening capacity of municipal service.

In Mid 2013 however the Central Government suggested to change legislation. The changes proposed transfer of a significant part of local resources to the national level; increased administrative subordination of LSGs to regional state administrations; etc. This initiative of the Government was hold up by the efforts of the expert community, including large analytical and advocacy contribution of VAP.

In late 2013 the LSG development policy documents (Towards Sustainable development Program for 2013 – 2017) were adopted, which shaped the official vision for LSG mid-term development. By the end of 2013 the Government has adopted the LSG Development Program until 2017 (hereinafter - LSG Program). The Program stated the main Goal for reforms - to have efficient, responsible, and accountable to local communities LSGs and set the following tasks: increase of responsibility and optimization of LSG, focus LSG operation on priorities of local communities; financial sustainability development, increase of LSG resource base and local economic development; improvement of organizational and legal framework for result-oriented operation of LSG. Both strategic documents declared the urgent need to increase LSGs efficiency. Delineation of functions, authorities of LSGs and Central Government (state bodies); and improvement of service delivery specified as main tasks. Both documents covered administrative, political and fiscal decentralization issues as a complex and necessary requisites for sustainable LSG development.

Under implementation of the above LSG development strategic documents a program on development of the public servants training system was designed to have a systematic unified system to gradually substitute spontaneous development program/project trainings. Presidential Decree approved the program for 2013-2017. During 2013 – 2014 the State Personnel Service has been implementing the Program with considerable support from the VAP.

In 2013 the Law "On the procedures of delegation of certain state authorities to LSG" as well as Model agreement “On the delegation of state authorities to LSGs” were adopted under the LSG Program implementation. In late 2014 the GoKR issued a Resolution aimed at enforcement of the Law and prescribing 4 sectors/ministries to delegate and MoF to allocate funds to LSGs for performance of the functions delegated by the 4 ministries. To achieve that VAP was very active in constructing national dialogue and communicating voices of LSGs from pilot oblasts to the National level. The issue of delegated functions is very important for sustainability of LSG operation, for local service delivery quality, for capacitating LSGs to be accountable to local communities; development of the issue requires continued support through monitoring implementation, analysis and further elaborations, which can be available to Kyrgyz Government through the VAP. The results achieved on the topic by the end of Phase I VAP are significant as a starting point and need furthering under the Phase II. Delegated state functions is also one of the topics for VAP’s synergy with PSI, while VAP will be working on general policies, legislation; PSI will be more focused on elaboration of innovative models for specific functions to improve local services.

The period from 2012 to 2014 was characterized by important changes in improvement of the budget process at the local level. The outstanding indicator of this change is the increase of own revenues of local self-governments from 9 billion soms in 2012 to 15.1 billion som planned for 2015. One of the main reasons for the increase was the new split of income tax revenues distribution between the local and the state budget - for the first time in the history the municipalities in Kyrgyzstan received 10 first and then 50 percent of the income tax charges and sales tax. Besides, new sources of revenue from the mining were introduced: tax on the subsoil (royalty), deductions for social infrastructure, and payments from the retention of the license. To motivate LSGs and facilitate better tax collection, in 2014, the Government of the Kyrgyz Republic adopted a Resolution describing procedures for local taxes administration by LSGs. Proper execution of the Resolution provides for LSGs to increase revenues, thus have a basis for predictable local revenue planning. To have these critical for LSG development results sustainable VAP will continue providing TA to MoF to further improve the inter-budgetary system and thus capacities LSGs to respond to citizens’ need. Having local budget process transparency as a focus VAP will also continue the Budget Code dialogue started in 2012 – 2014, which (Code) in its’ draft form promoted budget transparency and accountability of LSGs to local communities.

The way LSG reforms go evidences the complexity of LSG related policies and various pieces of legislation. Almost each piece of policy paper tackles decentralization to a different level but mostly in all three elements: administrative, political and fiscal. Thus, it is critical to devote much attention to legal and other policy initiatives of the Central Government, sector ministries and pro-centralization advocates to ensure LSG Program’s agenda available in early 2015 (End of Phase I) is considered relevant and shared by the policy makers; that the Program is being implemented in municipalities. Project has to concentrate its activities at the national level in the area of developing the legislative package for functional delegation and improving intergovernmental finance, as well as at the local level to intensify the process of citizen participation in addressing budget-related issues.

## SDC Strategic Framework, Program and Kyrgyzstan Strategies

The overall goal of Swiss Cooperation in the Kyrgyz Republic is “to support the transition process by assisting public and private institution at all levels to deliver better services in an equitable and effective way”. One of the three domains of Intervention of the Swiss cooperation addresses “Public Sector reforms and Infrastructure”. The goal in the domain is “to increase equitable access for citizens to services through transparent and efficient use of public resources”. To achieve this goal, Swiss Cooperation is supporting 1) reforms to strengthen the public finance management and the financial market supervision; 2) upgrading of infrastructure and related management to improve access to communal services; and 3) reforms to increase accountability and transparency in public service delivery through citizens’ participation[[1]](#footnote-1).

Against this background and to support fiscal decentralization, SDC together with DfID have initiated a project called “Strengthening Voice and Accountability: citizens’ participation in budget processes in the Kyrgyz Republic”, which is complementary to the PFM reform project on the macro-level. The project was originally aimed to strengthen the demand side for services (voice of citizens) by working with the population, in particular in rural and poor areas. This project was also to provide assistance to the weak governmental structures at local level, which needed to be capable and capacitated to respond to the population’s need, to be accountable to local communities, transparent in operation. Capacitating LSG’s greater transparency and acountability needed **profound changes in the LSG system** as a part of the public service system. Thus, VAP was designed **to promote transparency and accountability**, to create favorable environment ***at the national level, and to implement transparency and accountablity mechanisms at the local level.***

## Related Development Partner Support

At present donors’ activity related to local self-government remains limited. The most significant for this period was the UNDP project on good governance, which worked in the sphere of interaction between citizens and LSG bodies in 30 pilot municipalities across the country.

Numerous projects have been implemented in the Kyrgyz Republic with a focus, in whole or in part, on access to information, budget transparency and accountability at local gov­ernment level, with funding from UNDP, USAID, DFID, World Bank, EU and Soros Foun­dation. Most have been implemented on a pilot basis or in selected oblasts or rayons leaving a diverse patchwork of approaches and experiences in different regions with little known activity on Policy designs on the national level. Recent, current and expected development partner interventions are[[2]](#footnote-2):

* EU and UNDP Project “Promotion of Good Governance to Achieve Social Justice” (2011-2014) was aimed at provision of equal access to quality public and municipal services for three target groups – women, children and youth in 30 pilot ayil aimaks of Kyrgyzstan.
* UNDP Project “Mechanisms of Capacity Building” (2010-2014) was designed as flexible, rapid and proactive tool for building capacity of the Government and CSO of Kyrgyzstan: building capacity in policy making and coordination; enhancing management of the public sector and staffing; promotion of transparent, inclusive and effective provision of public and municipal services.
* ARIS work funded by the World Bank and others, with a focus on local infrastructure; in 2012, ARIS started a new project on providing grants to communities with citizens involved in addressing LSIs.
* World Bank grants for training of media (implemented by the University of Central Asia) and Aiyl-Okmotu staff (implemented by Eurasia Foundation) on local budget transparency under the ‘Information Matters, Transparency and Accountability’ program.
* Soros funding for civil society organization (CSO) projects under the ‘Budget Trans­parency and Public Accountability’ program.
* EC funding for CSOs in the Institution Building and Partnership Program between civil society and local government.
* The USAID Local Transparency and Cooperation Initiative (project) promoting and supporting CSOs development.
* The USAID Program on Joint Governance (executed by East-West Management Institute, 2013-2018) aims at strengthening partnership between the Government, civil society and private sector in the Kyrgyz Republic. It provides grants to CSO and support developments in legislation related to social procurement and charity.
* Aga Khan Foundation Program on Mountainous Regions Development (executed by MSDSP KG) is aimed at increasing living conditions in mountainous rayons of Osh and Naryn oblasts. In partnership with local communities and local self-governments MSDSP KG implements multi-sector programs in the sphere of natural resources management, education, health care, disaster risk reduction and improving quality of local self-governance.
* OSCE project on weakening conflict potential through equal access to local resources (municipal asset management in the southern oblasts of the Republic).
* Public Expenditure Tracking Surveys in Health and Education funded by DFID in 2011/12.
* Hans Seidel Foundation Project (2009- to present) is aimed at promotion and support to administrative capacity of state, public and parliamentary sector in certain countries of Central Asia (Kazakhstan, Kyrgyzstan and Tajikistan).
* Upcoming USAID project Transition to Local Self Government in the Kyrgyz Republic aimed at the following results: better administered, more transparent, financially improved, Kyrgyz Local Self Governments; sustainable, responsive, and efficient improvements in the delivery of devolved services; increased responsiveness and accountability to LSG’s communities; increased accountability to the Kyrgyz Government; increased community trust in their LSG and, consequently, increased legitimacy of LSG nationwide.
* GIZ’s support of CSO development, including participation in local decision making and improvements.
* SDC, Public Service Improvement Project, started by the Consortium headed by the HELVETAS Swiss Intercooperation aimed at improvement of quality and access to local services. PSI will operate on local (municipalities in Issyk-Kul and Jalal-Abad oblasts) and national levels. It is critical to ensure close cooperation between VAP and PSI, which will be achieved through coordination with SDC and DPI’s participation in the Consortium competitively selected for PSI implementation. For coordination the following will be undertaken: regular information exchange, bi-monthly meetings, participation in both Projects’ events influencing LSG and local services National policies, access to the communication tool - publications in the Municipalitet magazine; and participation in the steering for both projects to ensure synergy. (More details on synergy between PSI and VAP are described in the Sections 4 and 5 of the ProDoc)

The need for better coordination and interaction among donors’ project is evident. VAP believes that the Donors’ coordination Council under the SALSGIR will input into for the best of LSG reforms and development. (Diagram reflecting VAP’s alignment with LSG policy makers, developers, drivers of change, as well as most related development actors (Organizational structure) is attached in Annex 6.)

# Results and lessons learned



## Summary of the results

**Inception period** of the VAP started in November 2011. Project activities under the Inception period were focused on design and testing of the community engagement Model with a stress on participatory budgeting process. The main result of the Inception period was that VAP designed an innovative Model of community engagement into local budgetary process. The Model was designed and tested in three rural municipalities located in three different regions of Kyrgyzstan: Ivanovka municipality in Chui oblast, Tort-Kul municipality in Issyk-Kul oblast and Lenin municipality in Jalal-Abad oblast. The Model was based on the principles of Participatory rural assessment, local-government planning based on local priorities, inclusion of local concerns in local improvement plans, budgeting funds for addressing local concerns, public monitoring of performance of improvements against local concerns, as well as reporting on performance by local governments to local community. There were various challenges in testing the model, which were taken into account and addressed by the project implementation strategy for the 10-year period.

Implementation of the model in test regime confirmed the need for better education of local communities on their rights and responsibilities towards local budgeting, participation in the decision making process; the need to increase capacities of LSGs to apply community engagement, transparency and accountability tools; as well as the need to capacities LSGs to respond to citizens’ needs (legal framework, local budget resources, inter-governmental finances).

**The Phase I** started in April 2012. VAP had been rolling out the Model of community engagement in local budgetary process in 13 target municipalities (1 target in each rayon was a model for other 116 LSGs in in Issyk-Kul and Jalal-Abad oblasts). All non-target municipalities participated in training and peer to peer activities facilitated by the Project, including the small grant program. The small grant Program was aimed to encourage non-target municipalities to apply the Model and compete for a grant to address local concerns. Over 67% of rural municipalities in the two pilot oblasts applied the model, proved community participation in local budgetary process and competed for grants. In 2014 the number of target municipalities was doubled due to availability of additional funds (DfID). Additional number of target municipalities within the two oblasts helped more local communities to apply the model, to have LSGs focused on respond to local needs using local budget funds.

Legal framework was shaped to a certain extend to enable Model operation through operation on the National level. Significant results were achieved, though need furthering for more effective operation of the Model in more municipalities and further replication throughout all municipalities in Kyrgyzstan as per legal requirements

The external review also confirmed that “VAP has been largely effective to date in contributing to its overall goal: “to strengthen the ability of citizens to participate in the budget process at local level, and to ensure that local governments perform their responsibilities in using funds adequately for public services”. (para. #4, page 6(39).

To be more specific the following results were achieved during Phase I of the VAP operation.

### Outcome 1. Local communities (including CSO) are participating in public service delivery[[3]](#footnote-3)

Over 30 000 citizens in rural municipalities of Jalal-Abad and Issyk-Kul oblasts managed to influence public service delivery through participation in the local budgetary process and thus gained improved living conditions for over 500 000 rural residents. These improvements are the results of citizens’ engagement on the local decision-making process, in voicing their needs and concerns to local-governments, in demanding LSGs to address local concerns, to report on use of local resources, mainly – funds of local budgets.

#### Output 1.1.: Community driven budgetary framework is in place and functioning

Over 20 000 residents (40% female) in over 29 rural municipalities were engaged into the local budgetary process through participation in participatory rural assessments (PRA). These people voiced their needs and concerns to LSGs. The engagement was facilitated by LSGs and led by over 3700 trained active local residents (30% female).

The community driven budgetary framework is being functioning with active support from over 700 members of 130 Initiative Groups established in rural municipalities. IGs in close partnership designed 29 Joint Action Plans to resolve priority issues identified through PRAs and relevant budget estimations.

The JAPs were of an operational nature and often included long-term improvement initiatives requiring big investments, which were and remain to be unavailable, though are linked to particular local services needed improvement. Nevertheless, this exercise is a compelling argument for dissemination. Participatory developed and based on local concerns JAPs will be suggested for further elaboration into Service Improvement Action Plans (SIAP) under the following SDC initiative through PSI.

#### Output 1.2.: Local communities initiate and implement own projects

Over 150 best practices of local communities’ initiating and implementing local projects in partnership with LSGs were encouraged and revealed through 3 Local initiative Competitions. 50 local Initiators gained to furthering participation in the local decision making process. 330 representatives of LSGs, local NGOs, local communities and mass media honored the winners of VAP competitions, discussed benefits of community engagement; responsibility of CSOs and local communities in efficient engagement and participation in local decision-making process, as well as importance of further dissemination of best practices to encourage replication of the community driven budgetary Model.

#### Output 1.3: Citizens assess LSG’s performance based on Action plans implementation

LSGs implement Joint Action Plans and report to local communities on improvements. These improvements are being monitored with engagement of regular residents. 26 joint monitoring and evaluation (M&E) groups were formed to monitor JAPs implementation, to assess the most problematic local services. Moreover, to ensure adequate implementation of infrastructure projects implementation and other major local investment projects funded through local budget 53 Monitoring and Evaluation Groups formed (including the above 26) to monitor implementation of the projects. Trained members of the M&E Groups conducted over 56 assessments and performed oversight of over 60 infrastructure projects. Monitoring of JAPs by M&E makes public monitoring of a more regular practice and thus input into its sustainability.

Trained LSGs and joint M&E Groups will be suggested as a platform for PSI’s initiatives in public monitoring with a focus on local services.

### Outcome 2. LSG’s governing and managing capacity improved to respond citizens’ needs

Over 500 000 residents benefited from the improved governing and managing capacities of LSGs and obtained access to better services through participation in the local budgetary process. These services were improved by LSGs in respond to requests of local communities voiced during PRAs and over 80 public budget hearings with over 7000 participants (32% female), which resulted in 150 changes introduced into local budgets to address the voiced needs, to introduce improvements. Garbage collection, street lightening, kindergartens, school buildings, drinking water supply, culture, youth social development environment and many other issues of local importance were addressed in 56 municipalities to respond citizens needs and brought benefits to over 500 000 people.

#### Output 2.1. LSGs practice engagement of communities in local budgeting

LSGs become more transparent; they provide access to local budget information to public and engage local communities in the local decision process.

Municipalities in pilot oblasts use various tools to engage community in the budgetary process, including conduct of budget hearings, publication of budget information (draft budgets, reports on budget execution). 29 target municipalities were equipped with computer equipment for better operation of Finance departments, special equipment for better conduct of public hearings, meetings (loudspeakers, etc.); with over 60 Information boards, which were installed in more than 50 villages in municipalities of Jalal-Abad and Issyk-Kul oblasts. Information boards are being maintained by LSGs in terms of being used for publicizing public information, including budgets and reports on responds to local needs.

Development under this output 2.1 reflects direct impact of citizen participation on local budgets. The more such practices are available in different parts of the country, the faster VAP may convince restrainers of change – doubters about the true benefits of decentralization.

#### Output 2.2. Knowledge of LSG’s servants and local councils increased

33% increase of knowledge among LSGs’ servants was verified by the result of testing of over 3 000 participants of VAP trainings on: LSG legal basics, LSG roles and functions, municipal finance management, community driven budgetary framework, transparent management of public resources, public budget hearings, ICT training. 29 target municipalities practiced new knowledge and shared practices with neighbors during domestic study tours. Internal study tours have been an effective mean for exposure, clarification, exchange and capacity development. Many of 277 (30% female) participants of these 10 peer-to-peer type events pointed to their effect as an inspiration to adopt new approaches in their own municipalities. These best practices were among the topics of the Municipalitet magazine, which also ensured communication of news and clarifications on relevant National reforms to LSGs. Over 25 500 copies of 25 issues of “The Municipality” magazine published and distributed to all municipalities and Central Government and other National level partners.

#### Output 2.3. Improved skills on investment project management (small grant component)

LSGs improved their skills on investment project management and thus managed to design, obtain funding and implement over a 100 of small grant projects in 53 municipalities of Issyk-Kul and Jalal-Abad oblast. Target and non-target Municipalities have succeeded in accessing funding for projects, either in the form of VAP grants, stimulating grants or other sources. Non-targets have adopted the methodology primarily because of the prospect of grant funding. Most projects present solutions to long-standing challenges in local service provision and many have direct impact on the lives of citizens.

Grant priorities respond to citizens demand by attaching directly to priorities outlined in JAPs. They have proved to be an excellent incentive to mobilize even non-target Municipalities to adopt participatory processes involving their communities. Most grants are used to co- finance projects that involve larger funding from other sources, including municipal budgets. Given their small size, they can be considered as an incentive rather than a significant investment in local service delivery; this was always the intention with VAP. Besides, some projects are starting to show tangible medium- to long-term outcomes. For example, in Kum-Bel Municipality, 25 women have returned to work with increased male participation in childcare as a consequence of the investment of the grant project to refurnish one of the Municipality’s kindergartens. In addition, as a response to a grant to repair and extend the lines connecting a water well, over 700 people now have direct access to drinking water. Overall over 500 000 residents have benefited from implemented investment projects.

### Outcome 3. Improved LSG legislation to enhance proper decentralization process

LSG legislation is improved to enhance decentralization process, though it is under constant threat of common for the region political shifts towards centralization, which would refocus LSGs from being accountable to local communities in favour of accountability to the Central Government and thus, prevent meaningful community engagement in the local budgetary process. Besides, the complexity of LSG sector requires improvements to a large number of legal and normative acts related to LSG, to operation of public institutions, to performance of services being performed by sectors on the local level. The 10-year time-frame provides an opportunity to continue improvements and gain sustainability of the achieved results.

#### Output 3.1. National policy on LSG decentralization (political, administrative and fiscal) developed and promoted

The period of Phase I can be characterized as full of challenges for pro-decentralization agenda in Kyrgyzstan. Especially the 2013 was a critical year during which decentralization was under severe threat owing to a central government lobby to re-introduce a 3-tier budget system. VAP played a significant role in countering efforts to re-centralize the system of Government in Kyrgyzstan. The Project delivered a prolific output in terms of the number of proposals for amendments to different forms of legislation, legal acts and programs. It would be impossible to explore in detail the rationale behind proposed amendments to each and every piece of legislation; VAP staff has developed and presented over seventy different legal comments, suggestions and draft laws. Below are listed those deemed to be of the greatest significance:

* Amendments to the Law on LSG (regarding list of local significance affairs)
* Comments/proposals to the draft Strategy on Sustainable Development 2013 - 17
* LSG Development Program in the Kyrgyz Republic for 2013-2017
* Proposals to the draft Action Plan to the LSG development in the KR for 2013 -2017
* Amendments to the Tax Code (transfer of tax administration to the LSG bodies)
* Amendments to the Government Resolution and Draft Program on Payment of state and municipal servants (2013-2020)
* Draft Charter of local community and draft Model Regulations for Local Council operation
* Development of new version of Concept on Administrative-Territorial Reform

VAP has applied a very active communications approach, both to promote the community engagement model applied in target Municipalities, but also to support national policy advocacy.

#### Output 3.2. Delegated state authorities are properly defined/contracted and financed

Kyrgyz LSGs got to the starting point of clear delineation of functions among LSGs and state (state government, sector ministries). LSGs in KR are “overloaded” with functions. Many functions performed by LSGs are functions of special sectors/state functions. LSGs have no targeted funds for performance of those functions, nor specially trained staff, instructions from the correspondent sectors on how to perform. This status results in low quality of functions/service performance and thus on overall level of satisfaction among residents. Under development efforts VAP assisted in drafting Law "On the procedures of delegation of certain state authorities to LSG" as well as Model agreement “On the delegation of state authorities to LSGs”. Both were adopted in 2013. In late 2014 the GoKR issues a Resolution aimed at enforcement of the Law and prescribing 4 sectors/ministries to delegate and MoF to allocate funds to LSGs for performance of the functions delegated by the 4 ministries. To achieve that VAP was very active in constructing national dialogue and communicating concerns of LSG practitioners from pilot oblasts to the National level.

#### Output 3.3. Municipal servants’ qualification improvement system is designed and tested

VAP initiated development of the new model for municipal servants training system which was adopted by the National partner, institutionalized and is being implemented. This Model was and tested jointly with the relevant National Partner - State Personal Service (SPS) as the state institution responsible for public servants performance. The Model was tested with participation of 82 municipal servants on topics under 9 of curricula proposed by the Project to SPS.

The new model was taken into the account by the Training Program for state and municipal servants. In July 2013 the President signed a Decree to approve the Training program of the state and municipal servants and the Plan of its implementation. Two open tenders were conducted by the SPS under the Model as of the end of Phase I.

## Lessons learned and their implications and measures for the new phase

The main lesson learned is the efficiency of the community engagement Model, which proved impact of the citizen participation on LSGs performance and thus living conditions in municipalities of Issyk-Kul and Jalal-Abad oblasts. To ensure living conditions are improving all over the country it is reasonable to introduce the Model in other regions to roll out the Model application in different municipalities.

Continuation of grant mechanism in Municipalities under a competitive basis is important with keeping the same value for each individual grant. In case additional funding from SDC or DFID is available VAP would increase the grant pool to motivate non-target municipalities to apply the Model. Expansion of the Model through covering new oblasts and using grant mechanism should provide for creating the sufficient critical mass of practices in Kyrgyzstan for further sustainable institutionalization and operation within the LSG system after the 10-year period.

Model introduction depends on the enabling environment which is unstable and needs support and improvements. VAP’s operation on the National level during Phase II remains to be critical to ensure continuation of central policy work including: (i) transparency and predictability of inter-governmental transfers and own/shared revenues; (ii) focus on delegated state authorities; (iii) personnel development system. VAP should engage a wider set of non-state partners in its advocacy efforts, including in the planning and implementation stage. International experience and expertise should be more actively utilized as a mean of argumentation for policy development.

The second important lesson is that application of the Model revealed that LSGs accountability and community engagement in local budgetary process increased the level of expectations among local communities towards LSGs in terms of service delivery. The concerns were revealed on local level, but VAP was not capable to respond to municipalities in Issyk-Kul and Jalal-Abad oblasts due to its limited mandate and thus resources. In respond SDC within the framework of its Strategy designed the needed complementary to VAP project focused on service delivery improvement. Launch of PSI requires delineation between VAP and PSI. This delineation will show complementarity and synergy of the two SDC interventions which should strengthen the overall impact on living conditions in municipalities of the Kyrgyz Republic. (Details on synergy and complementarity are specified in Sections 4 and 5 of this ProDoc.)

## Funds deployed

VAP had the original budget of 3 248 927 CHF distributed to cover all expenses with 29,7% for the Administered Project funds aimed at direct spending for project activities. Part 4 also included grants pool in the amount of 400 000 CHF. Grant component was not designed as a regular infrastructure improvement program, but rather as a facility for LSGs to practice the Community engagement Model in full. Due to the consulting and to a large extent TA nature of the Project a significant part of the VAP budget was spent for compensations for consulting, trainings, TA for capacity building for different targeted audience at various levels.

In 2014 budget was increased drastically due to additional funding from the SDC in the amount of 500,000 CHF for support additional 10 municipalities in improvements through implementation of locally initiated projects; and additional funding from DFID to double the number of target municipalities and volume of activities. The overall budget of Phase I became 5,063,926 CHF.

In 2014 spending of the budget had some delays mainly due to grants disbursement reasoned by complexity and timely procurement process under the small grant program. Another reason was the task to deliver to the new target municipalities the same volume of TA during a short period of time.

By the mid of the last implementation year of the Phase I VAP spent 3 366 364 CHF and the overall balance was 34%. In phase II a similar approach to budget distribution will be applied, though the portion of the Part 4 will be increased above 40%.

# Goal and Tasks and Theory of change of VAP

Within the 10-year prospective, following the lessons learned from Phase I implementation, and based on results of the VAP’s external review for Phase I, Phase II will be focused on further geographic rolling out the MODEL of community engagement in local budgetary process to ensure that **public finances are managed in a more transparent and effective mode through greatly increased accountability and citizen participation in the decision making process**. The overall program focus will remain, though the VAP will shift to the new oblasts to implement the same Model of community engagement. And continue National level work to ensure adequate legal framework and environment for the Model application.

The theory of change behind VAP is based on wealth of global evidence demonstrating that according to, countries with higher levels of budget transparency will achieve better human development outcomes than less transparent countries (according to the International Budget Partnership (2011). Local government reforms coupled with citizens participation promotes higher efficiency, better public service, greater transparency and, eventually, economic growth (Musgrave, 1958).

Accountability of LSGs to local communities means, first of all, that LSGs provide for adequate living conditions in municipalities. Within the overall level of urbanization, social and economic development adequacy of conditions has to be consistent with standards (if exist, at least ensure safe for life conditions) and with expectations of the majority of residents living in a given municipality. LSGs in Kyrgyzstan represent public officials located closely to local communities in comparison with any other public institution/official governance structure and it is logical to expect that LSGs should listen to concerns of local communities and respond to them, to satisfy needs of residents in any given municipality. It should be the primary focus of LSGs to respond to citizens needs instead of being focused on responses to the state bodies (Central government officials and structures). To focus Kyrgyz LSGs on accountability to local communities the following pre-requisites are needed:

1. LSGs should be obliged of being accountable to local communities, of engaging residents in the local budgetary process;
2. LSGs should be fully authorized to perform to be accountable, i.e. independently decide on local budget allocations to meet expectations of local communities;
3. LSGs should have predictable and sufficient revenues of local budgets to undertake on addressing concerns of local communities;
4. LSGs should have relevant knowledge and capacities to engage residents in budgetary process;
5. LSGs should have capacities to plan performance and budgets to respond citizens’ need on a per with performance of regular services;
6. LSGs should be motivated by the Central Government for accountability to local communities, for responding citizens needs and thus improving living conditions in municipalities in the country and strengthening trust among residents towards the public sector in general;
7. LSGs need citizen participation.

Thus, LSGs will become accountable if there is an adequate enabling environment (legislation, enforcement, practices), if they have sufficient capacities (rights, authorities, funds and skilled staff) and if accountability is required by local communities willing to participate in the decision-making process. For this:

1. Citizens need relevant enabling environment to demand budget transparency and accountability from LSGs;
2. Citizens should be aware of their rights to demand accountability from LSGs, to be engaged into budgetary process;
3. Citizens should be willing to participate and know how to do it;
4. Citizens need to have feedbacks from LSGs.

Thus, citizens will participate in the budgetary process and demand for accountability from LSGs if it is legally enabled, and citizens are aware of the legal provisions. Participation will be sustainable and efficient only if it is productive, i.e. if LSGs listen to citizen’s needs and respond by achieving tangible results improving living conditions.

Accountability is a two-way traffic and requires both parties participation, which should be regulated by norms. Norms are legislation, policies, public opinion, perception, which depends a lot the status of the area of regulation, on practical results of norms’ enforcement. Thus, the more local communities participate in the budgetary process; require LSGs accountability even under the existing “pro” norms there will be more arguments to further development of national policy and legislation towards accountability of LSGs and strengthening citizen participation, which in its turn should result in stronger capacity of LSGs and more concerns addressed on the local level, in more communities having improvements in living conditions in their municipalities.

Below is a picture visualizing **theory of change of VAP**. This picture contains the current status overview, summary of the Intervention strategy and expected long-term results towards the Impact of VAP.

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***Picture 1. Theory of change of VAP***

To prove the theory and succeed in achieving the preconditions VAP is designed to work with LSGs and Local communities; through this work (in addition to overall expertise on decentralization) gaps in legislation are being identified and addressed. VAP’s interventions in the National policy developments should result in implementations on the local level. This will ensure long-term results of the investments. This approach was used for design and during implementation of the Phase I, which had 3 components to work on:

1. Community development to participate in the budgetary process (Community engagement in budgetary process implementation on the level of target municipalities –in Issyk-Kul and Jalal-Abad oblasts)
2. LSG capacity development to engage communities in the local decision-making process, including budgeting (Community engagement in budgetary process implementation on the level of municipalities–in Issyk-Kul and Jalal-Abad oblasts)
3. National legislation improvement to enhance decentralization

Phase II is mostly the continuation of the Phase I with a different geography on the community and LSG level; it is also a continuation of the National policy dialogue, though with more decentralization and as a result budget transparency and accountability of LSGs to local communities focuses. Thus, being a continuation of the intervention under the 10-year project the national policy dialogue will be integrated into the same component focused on LSG’s capacities improvement. Thus, the following two components are proposed for Phase II covering the period from April 2015 till March 2019:

1. Citizens’ engagement and responsibility in local decision making is strengthened (Community engagement in budgetary process implementation on the level of municipalities in Chui, Naryn and Osh oblasts);
2. LSGs’ responsiveness to civic initiatives is increased.

Objectives for the Phase II are set to follow the theory of change to input into achievement of the VAP main goal with a 10-year prospective and to respond lessons learned during the Phase I.



## Outcome 1. Citizens’ engagement and responsibility in local decision making is strengthened

Over 200 local concerns will be addressed by LSGs in at least 27 municipalities in Chui, Naryn and Osh oblasts. This will be the result of or less than 30 000 residents participation in the decision making process. Over 600 trained residents will be engaged in budgetary process and jointly with LSGs develop JAPs to address local concerns and respond to citizens’ needs. Over 27 M&E groups will unite pro-active trained residents to demand LSGs to be accountable for addressing local concerns, for being transparent in budget process, for planning performance improvements based on results of public assessments by these Groups.

Citizen Participation will take place in at least 27 municipalities in the three pilot oblasts, disseminated and institutionalized through Model local community Charter and other Model instruments.

Regional NGOs. CSOs and mass media will be more decentralization and budget transparency educated and pro-active for further promotion of the Model replication.

Champions from Issyk-Kul and Jalal-Abad oblasts will be sharing their best practices and lessons learned.

### Output 1.1. Community driven budgetary framework is in place and functional

27 municipalities in Chui, Naryn and Osh oblasts will implement the Model of community engagement in the budgetary process at the local level. Thus, over 20 000 residents in target municipalities will be engaged by trained LSGs in the local decision-making process through conduct of PRAs, public meetings, planning sessions. In over 30 municipalities, residents will voice their concerns to LSGs; identify priorities. At least 27 Joint action plans (JAPs) will be developed by at least 60 Initiative Groups to address local concerns.

Over 250 municipalities in the new pilot oblasts will have an access to information on Model application to compete for financial support in addressing local concerns through the VAP grant mechanism. All municipalities will be introduced to the Joint action panning with a perspective for furthering into SIAPs under the PSI.

Local communities, CSOs and NGOs will be aware of their rights for access to public information and participation in the budgetary process at the local level. They will be encouraged to participate in three relevant Competitions for further promoting best practices of participatory budgeting, participation in local decision-making process, addressing local concerns in partnership with LSGs.

VAP shall focus intervention on strengthening community engagement process in the three oblasts in general with a focus on identification of local priorities through PRAs and community engagement in the planning activities of LSGs to address priority concerns. It will focus on public awareness’ about local finances, rights and means to participate in the local decision making process. Thus, municipalities in the three pilot oblasts will be advanced in citizen participation and planning for further PSI’s TA on improvement of SAIPs based on local needs.

### Output 1.2. Citizens driven monitoring and evaluation system for LSGs is introduced

Over 200 residents in target municipalities of Chui, Naryn and Osh oblasts will be trained and will form Monitoring and Evaluation Groups to monitor implementation of the JAPs, to assess LSGs performance, to influence living conditions in their communities through demand for improvements.

The Project shall promote implication of legal requirements of public assessments in local or state legal acts/regulations to ensure sustainability and to be consistent with the country system.

This Model will be promoted, disseminated for replication throughout targets and further in the relevant three oblasts. Legal formation of Initiative Groups will ensure sustainability of the community engagement model operation and will not encourage formation of units duplicating or substituting existing systems.

It is important to mention that the Initiative groups and M&E Groups promoted by the VAP are intended to go along with and assist Local Councils in their performance of monitoring and oversight functions, thus inputting into capacity of LSG as a whole.

M&E groups will develop capacities for further potential use under the PSI to perform public monitoring of local services delivery. However, PSI will need to input additional interventions into the groups’ capacity development to perform monitoring against service standards.

## Outcome 2. LSGs’ responsiveness to civic initiatives is increased

Over 50 000 residents will benefit from improvements of living conditions performed by LSGs in respond to citizens’ needs through: implementation of at least 50 small infrastructure projects designed jointly with local communities and selected by residents; through allocating funds to address local concerns voiced by residents during at least 50 public budget hearings.

National legislation and policy framework are improved to fully support LSG accountability to local communities, budget transparency as an element of decentralization. LSGs servants are being guided by SALSGIR and trained through SPS to be transparent and accountable to local communities.

### Output 2.1. LSG’s governing framework reoriented towards citizens participation

Residents of over 27 municipalities in Chui, Naryn and Osh oblasts will have access to public information. This access will be provided by trained LSGs using various tools, including over 50 Information Boards for publicizing budgetary information, plans and reports on LSGs responds to local concerns, etc.

Over 4 000 residents of Chui, Naryn and Osh oblast municipalities will participate in public budget hearings to discuss local revenues and expenditures, to ask for allocation of funds to address specific issues of local communities, vulnerable groups.

250 municipalities will be encouraged to conduct public budget hearings and participate in the relevant Competition.

All rural and small urban municipalities in the three oblasts will be trained on public hearing conduct. VAP will promote budget hearing in the respective regions. Trained LSGs and skilled in conduct of budget hearings will be well equipped to conduct other types of public hearings, including hearings on service improvements, on tariffs for local services, registers of local services as others under the PSI.

### Output 2.2. Budget management practices of LSGs’ legislative and executives are strengthened

Over 50 million soms will be available on a competitive basis to 250 LSGs in Chui, Osh and Naryn oblasts respond citizens’ needs. To be qualified for competing LSGs will need to prove application of knowledge gained through VAP’s trainings on management, governance, financial management, community engagement, local needs based planning, investments management through implementation of the Model as a whole, or at least the most critical parts of it reflecting capacity of LSGs to be accountable to residents.

It is expected that with over 25% increased level of knowledge LSGs will address at least 54 local concerns of residents living in municipalities of the three oblasts through implementation of the improvement projects.

The most successful LSGs will have a platform to share practices and inspire others to be more accountable and active in community engagement in budgetary process through peer-to-peer tools, like internal study tours, publications in the Municipality magazine available to all municipalities in Kyrgyzstan and to the Central Government officials, Parliament members and other important National level partners. It is expected that practices of Chui, Naryn and Osh municipalities will disseminated by Magazine publication of 1000 copies quarterly.

Taking into account the 10-years nature of the project VAP will also support with some trainings and information dissemination municipalities of Jalal-Abad and Issyk-Kul oblasts to inform on relevant policy news, practices of the new target municipalities and to ensure better information exchange among LSGs, to have larger number of Model practicing municipalities to have the critical mass for sustainability of the community driven framework.

Contacts with municipalities in Issyk-Kul and Jalal-Abad oblast shall provide VAP with evidences of the Model sustainability in a mid-term prospective, shall reveal shortcomings and thus potential risks to be mitigated during the Phase II in three other oblasts and incorporated into lessons learned for design and implementation of the Exit Phase.

Such operation and information from in Issyk-Kul and Jalal-Abad oblasts supported by PSI will also provide additional incentives for VAP target municipalities to become advanced for further focus on local service delivery with PSI’s support. It is expected that PSI will provide VAP with relevant information to be publicized in the Municipalitet magazine.

### Output 2.3 National decentralization policies are modified and enforced through advocacy and lobbying

VAP expects to ensure sustainability of the decentralization agenda, its further development through various pieces of legislation and policies, as well as implementation and enforcement. VAP expects t achieve the following during the Phase two prior to the Exit Phase focused primarily on advancing legislation institutionalizing the Model, enhancing proper environment and introducing obligatory for LSGs budget transparency and community engagement in local decision-making process.

During the 2015 – 2019 period VAP will undertake to achieve: community engagement Model proposed by VAP and included into model documents adopted by SALSGIR are properly included into municipalities’ own local normative acts. Project will provide technical assistance to target municipalities with adoption of such local normative acts and disseminate model documents implementation practices through Chui, Osh and Naryn oblasts.

It is expected that VAP shall continue support to policy dialogue and advocacy to ensure state functions are being delegated to LSGs in accordance with the Law on delegation.

VAP is also expects to provide MoF with recommendations on inter-governmental finances, on funding delegated functions (National partners expect further support from the VAP on national policy towards regulation of delegated functions. It is expected that PSI will be complementary to VAP under this output but with focus on more technical details related to specific local services delivered by LSGs within the delegated functions), on predictability of local revenues, on efficiency and transparency of equalization system. It is also planned to achieve more support from MoF towards strengthening enforcement of budget transparency and community engagement requirements by LSGs.

While VAP will engage directly in the area of national policy advocacy, it cannot assume responsibility for the adoption of legislation, nor can it take sole responsibility (for reasons of legitimacy and sustainability) for driving the process of advocacy. Taking account the planned support to the Association of LSGs under the PSI project, VAP Phase II will focus its attention on engaging the Association to ascertain the views of LSGs on different reform proposals, as well as suggesting joint initiatives and efforts in achieving accountability of LSGs to local communities.

Furthermore, VAP will seek to engage a wider set of non-state actors in its advocacy efforts. Specifically, other civil society actors will be engaged more directly in project activities planning, implementation and advocacy processes, in order to ensure that a wider group of actors have sufficient capacity to support the debate on decentralization moving forward. Special efforts will be input into engagement and awareness of public finance issues among youth through schools, teachers, who remain to be a strong source of education, information and behavior-change undertakings. VAP II shall continue innovative summer school practice and support of school budget hearings to develop more budget transparency oriented and accountability demanding generation in the three oblasts of VAP operation.

For the national policy dialogue international expertise is likely to be in need and provided by the VAP as need is specified during the Phase II.

### Output 2.4. Municipal servants’ continuous qualification upgrade system is introduced and strengthened

It is critical for a 10-years project to achieve sustainable results and long-term impact. Expected results under this output in Phase II shall input into sustainability and they are: the following:

1. SPS regularly conducts tenders for delivery of trainings to public servants, including LSGs;
2. SPS management of the municipal servants development system includes monitoring of the knowledge increase among trainees and training efficiency;
3. Market for trainings design and delivery is in place, i.e. institutions and universities are aware of the rules and procedures;
4. SPS integrates VAP recommendations on training modules focused on budget transparency and community engagement and at least 2 modules will be integrated.

However, proceeding from the fact that there are still not enough funds to provide on-job trainings on regular basis, the Project must not refrain from conducting training events. So, training events will be conducted by VAP for municipalities in Chui, Osh and Naryn oblasts for different target groups on various topics focused on budget transparency and community engagement.

It is expected that started during Phase I and continued operation of the unified system for public servants development under SPS will also be open for integration of training materials on service delivery improvements, on SIAP development and implementation with PSI support.

# Implementing strategy

VAP was originally planned as a 10-years project with Inception period, several main Phases, and an exit phase. VAP started in November 2011 with a 6-months Inception period. During the Inception the ProDoc for the Phase I was elaborated to cover two pilot oblasts (North – Issyk-Kul and South – Jalal-Abad with pilot methodology) and work on the National level during a three-year period (April 2012 – March 2015).

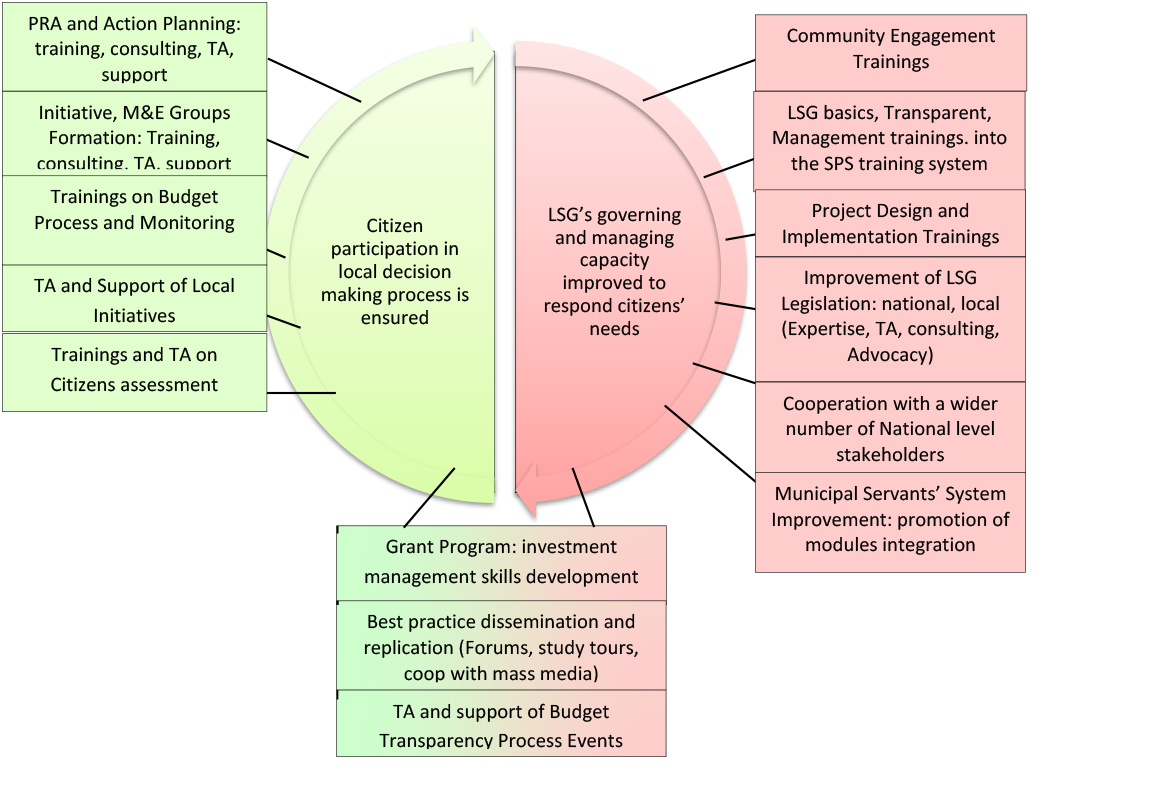
The Model of community engagement in the local budgetary process was designed and tested during the Inception period, replicated and improved in 28 target municipalities in Issyk-Kul and Jalal-Abad oblasts during the Phase I. VAP’s implementing strategy and approaches which were used during the above mentioned periods proved efficiency and gained recognition. In partner municipalities in the two oblasts residents are aware of their rights to demand from LSGs accountability for local services under their (LSGs’) mandate, who are capable to understand budget structure and ask questions on issues of local importance to influence decisions impacting living conditions in their municipalities. LSG’s know how and are willing to engage residents and report to them, on the one hand, and residents demand and are able absorb information provided by LSGs, on the other hand. Enabling environment is sufficiently in place, though it depends on local level to some extent, but greatly - on the National level in terms of design of National policies, legislation, rules, and procedures. Actors playing these roles at the National level also need a great deal of assistance from the VAP. Thus, only intervening into all three levels VAP can truly influence the quality of local services in Kyrgyz municipalities, which is to be judged/assessed by residents.

VAP’s external review confirmed efficiency of the implementation approaches used during the Phase I. It also confirmed the results gained in the two pilot oblasts sufficient to conclude that LSGs become accountable to local communities. But from a 10-year prospective the results are not sufficient and need more LSGs to be accountable. Thus, to strengthen institutionalization of the Model practices available in Issyk-Kul and Jalal-Abad oblast and to ensure Model operation in municipalities throughout the country VAP needs to be expanded geographically to reach the critical mass sufficient to conclude that LSGs in Kyrgyzstan are accountable to local communities, local budgets are transparent. Thus, VAP will start implementation of the Model in other regions of Kyrgyzstan with planning a 2-years period for Model implementation and institutionalization on the level of a municipality. The Project needs presence close to the Central Government to have evidences in a short distance to argue for decentralization promotion, thus, the Phase II will start in Chui oblast. The Project needs to continue its coverage of both Northern and Southern part of the country which explains further implementation of the Model in Naryn (North) and Osh (South) oblasts over the course of the Phase II. As far as Issyk-Kul and Jalal-Abad oblasts are concerned, VAP will continue its limited presence through information dissemination regarding budget transparency, decentralization policy legal framework developments. Municipalities in these two oblasts are ready for furthering their responsiveness on the level of local services improvements. PSI will be launched in Issyk-Kul and Jalal-Abad oblasts in Spring 2015 and will base its operation on the results achieved through VAP. VAP will be working in other three oblasts to develop municipalities to the level sufficient to start local service delivery improvement through PSI. VAP will also cooperate closely with PSI on improvement of the relevant pieces of LSG related legislation and LSG officials capacity development.

Based on lessons learned during the Phase I and as has been described above, the Project implementing strategy will be mainstreamed under the following two components:

* Work with local communities to increase their capacity (understanding of rights to demand and to participate in the local decision making process as well as demand for budget and other public resources related information from LSGs), provide facilities to practice, provide feedbacks for national reforms, and share experiences. Results of the Phase I on the local level gave VAP the lesson on the need to strengthen sustainability (status) of the joint action plans as a tool to implement the Participatory Budgeting Model; need to enhance transparency mechanisms, including the format of public budget hearings; need for promotion of better cooperation between LSGs and regional representatives of the Central Government.
* Work with local governments (local executives and legislators) to strengthen their governing and managing capacity to respond citizens’ needs. Capacity development, practicing, communicating shortcomings and difficulties faced while practicing to the policy makers, practice and knowledge sharing will be the main components of strategy of VAP’s implementation on the level of LSGs. The strategy includes not only capacity strengthening of local governments but also creation of enabling environment or favorable legal framework that promotes and enhance decentralization and LSG development. Efforts on the national level for proper environment will also have the community engagement topic as a focus and integral part of the overall legal framework. Based on lessons learned VAP shall pay a special attention during the Phase II to the need to continue National policy efforts through comprehensive work on legislation and cooperation with the key partners (legal advice, TA, consultancy, advocacy); need for strong partnership with the Parliament; need to continue interaction with the State Personnel Service; need to maintain partner relationship with the Ministry of Finance; need for stronger partnership with other Civil Society actors, specific groups.

Different sets of activities with different target audiences are planned under each component (as described in Section 4. Objectives), though all are linked by the content and format in a certain way focused on achieving the main goal of the project. Below is a Picture showing VAP’s implementing strategy (Picture 3).



***Picture 3. VAP Intervention strategy***



## Main approaches for the implementation

* Operation on micro (local community level and LSG), meso (regional NGOs, regional governmental structures, regional Mass media) and macro (National policy makers, Institutions, NGOs, CSOs, Mass media) level. With regard to meso level VAP will slightly change the approach to focus more on cooperation with the regional departments of state bodies, which will input into better environment for further SIAP development on local level under the PSI. A greater number of local NGOs and CSOs will engaged during the Phase II. Though these cooperation and engagement will be focused on general decentralization agenda, on participatory budgeting.
* Integration of innovations into the existing system of government, including LSG. This approach goes along with the development principle “Do No Harm” and has sufficient arguments based on lessons learned in Kyrgyzstan. To be specific, VAP is not suggesting creation of LSG duplicating structures. Promoted by VAP IG, M&E Groups are proposed as additional opportunities for Local Councils’ monitoring operation, as well as LSG executives. JAPs are promoted to go along with the obligatory plans of social-economic development and be used for strategic documents development, for development of specific improvement plans, including SIAP. This approach also relates to cooperation with SPS – national partner, to incorporate training materials into obligatory training modules for public officials, which should input greatly into institutionalisation of the best donor provided training interventions. This approach also correspond with the small grant program designed for transfer of funds to official accounts of LSGs;
* Learn, practice and share methodology, which is focused on design of related training modules with obligatory “home-work” assignment encouraging trainees to apply gained knowledge. Since training modules represent a balanced mixture of the best international and local practices, requirements of local legislation trainees are mostly willing to apply. Application practices are further discussed through Peer-to-peer tools, and presented to the central level (meso and macro) as arguments for or against existing poor practices or promoted initiatives;
* Inclusivity (gender, ethnicity, social status). VAP will continue constantly communicating to municipalities of importance to include all parties into dialogues they are developing in their communities. VAP will promote (through trainings, consultations) using the 30% gender quote for establishment of Initiative and M&E groups; using information tools in different local languages (where applicable); ensuring participation of various age and social groups’ participation in PRAs and other public discussions of issues of local importance;
* Various actors’ engagement to enlarge number of drivers of change, which applies to both governmental and non-governmental structures and individual officials, experts, practitioners. Mass media is in a special focus as an important element for public opinion formation. Mass media as a partner and beneficiary of the project is assigned a set of interventions needed to ensure media is properly educated, informed about LSG reforms and has an opportunity to study in depth results of interventions on the level of municipalities; innovative approaches will be used to ensure inclusion of youth through promotion of budget transparency demand knowledge on the level of village schools;
* Quality control. VAP had been successful in ensuring high quality expertise to achieve the Goal and implement tasks of the VAP Phase I. VAP will continue wide use of PIU and expert pool for further decentralization policy dialogue. Expertise is mainly local and thus welcomed and better absorbed by National partners. International experience had been also provided by short term expertise and more importantly during International study tours. The same approach will be used, though with more international expertise involved whenever a gap is identified;
* Champion development and replication. VAP is operating on the principle of pilot municipalities, which on a par with all municipalities in a given region (rayon) are provided with knowledge and have more intense (compared to all others in the rayon) TA on applying the knowledge. These pilots serve models for others, which (the later) are informed about pilots during various information and peer-to peer events. Replication is possible through influencing national policy (which is often based on or supported by champion’s practices), dissemination of best practices, inclusion of information about champions into training modules for SPS, publications in the Municipality magazine – the only magazine in Kyrgyzstan dedicated to LSG reforms and practices issues available to LSGs and LSG policy makers.
* Cooperation with LSG related initiatives. VAP will cooperate with any LSG related programs, projects operating in Kyrgyzstan. **Special focus will be on synergy with PSI.**

## Complementarity and synergy with the new Public Service Improvement (PSI) project

SDC, Public Service Improvement Project, started by the Consortium headed by the HELVETAS Swiss Intercooperation aimed at improvement of quality and access to local services. PSI will operate on local (municipalities in Issyk-Kul and Jalal-Abad oblasts) and national levels. It is critical to ensure close cooperation between VAP and PSI, which will be achieved through coordination with SDC and DPI’s participation in the Consortium competitively selected for PSI implementation. For coordination the following will be undertaken: regular information exchange, bi-monthly meetings, participation in both Projects’ events influencing LSG and local services National policies, access to the communication tool - publications in the Municipalitet magazine; and participation in the steering for both projects to ensure synergy.

From the programmatic point of view PSI implementation will to a large extend rely on activities conducted and results achieved in the Issyk-Kul and Jalal-Abad oblasts. Namely, PSI will take into account PRA results while assisting municipalities in design of additional local services registers, VAP will promote registers and standards developed under the PSI. PSI will provide TA to municipalities in efficient use of local resources for local services quality improvement, while VAP will continue efforts towards inter-governmental finance reforms on the National level to input into increase of revenues to local budgets. VAP will also continue active presence at the National level on policy and specific legislation development regulating the issues of delegated state authorities and functions within the general LSG development strategy. While PSI will work on national policies and regulatory frameworks only regarding delegated public services.

PSI will utilize increased capacities of LSGs and local communities in the sphere of procurement; public monitoring and assessment of local services under Local councils. These two VAP’s approaches will be an important implementation strategy element to ensure integration of Donor’s projects’ initiatives into the existing legal system of governance for its improvement and achieving long-term sustainable impact.

The diagram below demonstrates complementarity and synergy of VAP and PSI implementing strategies through products and explains that community engagement in local budgetary process MODEL implemented by VAP, including JAPs, should found the basis for further service improvement, including development of SIAPs based on JAPs, while SIAP is a key instrument of PSI implementation.

From the project management point of view and outreach DPI has developed a strict delineation of tasks and thus functions between staff of VAP and PSI. Though steering will require DPI’s presence in both, which means separation of resources adequately to the level of efforts input into the two projects. As far as operation in regions is concerned: VAP will be operating in Chui, Naryn and Osh oblasts and there will be NO overlap with PSI operating in Issyk-Kul and Jalal-Abad oblasts.

The need for better coordination and interaction among donors’ project is evident. VAP believes that the PSI through TA to the SSALSGIR will input into coordination capacity of the Agency for the best of LSG reforms and development. With PSI’s support organization development of the SALSGIR the Agency will continue receiving TA, legal consultations and expertise from VAP with regards to policy and legislation development.

## Proposed geographic coverage and time-line

Based on experience and results of the VAP during the Phase I, results of the external review SDC’s response was to support the 4 years Phase II, and that “the Model should be fully implemented in the selected LSGs of 3 oblasts: Chui, Osh and Naryn (including small towns), with involvement of neighboring LSGs on training components. Small towns (ex. Naryn, Kaindy, Orlovka, Kemin Uzgen, Nookat) shall be included based on their willingness to take part in the project.” At the same time, under the rolling out strategy during Phase II VAP will retain Issyk-Kul and Jalal-Abad oblasts for relevant information dissemination.

Thus, the geography of Phase II includes three oblasts located in different parts of Kyrgyzstan: Chui, Osh and Naryn. In total, there are 20 rayons in the three oblasts, in each rayon there will be 1 target municipality selected. The total number of target municipalities will be 27 including mainly rural municipalities, small towns can also be targets if they clearly state the will. Target municipalities will be selected on a competitive basis, which ensures objective selection, equal opportunity, cooperation based on will. Target municipalities will be selected proceeding from the same criteria as were applied to select targets for the previous phases, focusing on (in the order of importance):

* Political will and self-motivation of a municipality: data from other donor projects about the most active and cooperative AOs will be used for considerations
* Location: one municipality will be selected in each rayon of the relevant oblast for VAP operation (3 oblasts for the whole Phase II), if the size of rayon is twice larger than an average, two municipalities will be selected. If a small town is selected in a rayon of an average size, there will be no rural target municipality in the rayon.
* Size: different sizes, i.e. large and small municipalities
* Budget size: municipalities receiving intense direct TA should have different sizes of budgets, i.e. there should be self-sufficient and depending on subsidies from the central government (with large and with low own incomes)

All municipalities in the relevant operational oblasts will be presented with information about the VAP, its goal and objectives, plans, as well as results and lessons learned during the Phase I. Target municipalities of the Phase I will be invited to speak during the Phase II launch event at the very beginning of the Phase. All municipalities will be invited to participate and to be target municipalities. To be a target a municipality needs to fill in a form providing basic information about the municipality, assets, CSOs. Completed forms and other gained information will be reviewed and evaluated for selection. Diligence in filling in forms and providing requested information from both AO and LC will also be taken into considerations. It is suggested that VAP, SALSGIR, Association of LSGs and DPI participate in the selection which is to be a subject for the Swiss Embassy approval (no objection verdict).

Target municipalities will be provided with a package on intensive technical assistance to ensure the Model of community engagement is in place, which includes various trainings for LSGs’ officials, local councilors, local CSOs, NGOs, leaders, regular residents from among local communities. Application of knowledge is a critical part of the VAP’s intervention strategy and principles, thus TA, legal and other consultations, and support will be provided to trainees in practicing community engagement tools, budget transparency techniques, public resources management, including local finances. Local communities will be trained and encouraged to join Initiative Groups, public Monitoring and Evaluation, to participate in local decision making process in an effective structured and peaceful way.

The vast majority of trainings for LSGs of target municipalities will also be attended by representatives of neighboring LSGs. Special seminars, workshops on regional level will also be open for all municipalities in the respected regions. Non-target municipalities will also receive magazine describing LSG reforms, VAP’s activities, discussions of concerns from LSGs of VAP’s pilot oblasts and answers to FAQs from VAP’s experts, lawyers. All rural and small urban municipalities, i.e. LSGs of pilot oblasts will be provided with an access to funds of the VAP’s small grant program on a competitive basis. CSOs’ NGOs, located in pilot oblasts will also be eligible for competitions.

Within the given time and geographic frames and taking into account the high level of activities to be conducted for Model operation and achieving sustainable results in pilot regions during the Phase II the following scaling up strategy is proposed:

* Launch pilot operation in late spring of 2015 in Chui oblast. From among 104 rural municipalities and 3 small urban municipalities up to 11-12 targets will be selected. Upon selection VAP will start negotiating MOUs and action plans for cooperation, start trainings and TA, support in conduct of PRAs and use of other community engagement tools. It is expected that by the end of 2015 target LSGs will have their joint action plans developed and will start budgeting process based on the priorities identified and actions planned. The beginning of 2016 will thus be the most appropriate moment to have the deadline for applications for the Small grant program within the frames of the budget calendar and timeframes for proper tendering process conduct by LSGs. As mentioned in the External review it is suggested for VAP to operate in a target for up to two years, this comment is supported by DPI based on the experience of the Phase I. With regards to Chui oblast targets this means that in 2018 LSGs are expected to implement the JAP and conduct rural assessments to continue consulting with local communities on local decisions to be made for the following period, which in fact will be beyond the Phase II. Having two years of cooperation with VAP implies eligibility of Chui oblast municipalities in two calls for investment projects design to seek co-funding from the VAP’s small grant program.
* VAPs launch in Naryn and Osh oblast is planned for 2017 (after the first year of Model operation in Chui oblast in on the way, and the first round of grant program is under implementation by LSGs) with oblast level launch seminars in spring 2017 and start of Model operation in Summer-early Fall 2017 for target to have Joint Action plans designed with wide citizens engagement by the end of 2017 in order to participate in the second call for investments project (the pool for 2017 will be doubled compared to 2016). Targets in the two oblasts will also be selected from each rayon based on expressed will, the total number in Naryn oblast with 5 rayons will be up to 6, and in Osh oblast with 7 rayons – up to 10 in total to come up with 27 target municipalities in the three pilot oblasts. It is expected that target municipalities in Naryn and Osh oblast will participate in small grant program in 2018 and complete implementation of JAPs in Autumn 2018 to re-assess changed priorities and revise JAPs for the upcoming years after close cooperation with VAP.
* To conclude with number of targets please see below the table broken down by years

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pilot region** | **April 2015 -March 2016** | **April 2016 - March 2017** | **April 2017 - March 2018** | **April 2018 - March 2019** |
| **Chui** (8 rayons: est. 111 rural and small urban municipalities with 710 000 inhabitants) | 11-12 targets | 11-12 targets | 11-12 targets |  |
| **Osh** (7 rayons: est. 90 rural and small urban municipalities with 1026000 inh.) |  | 9-10 targets | 9-10 targets | 9-10 targets |
| **Naryn** (5 rayons: est. 63 rural municipalities with 250 000 inh.) |  | 5-6 targets | 5-6 targets | 5-6 targets |
| **Total number of targets** | Up to 11-12 | Up to 27 | Up to 27 | Up to 14-16 |
| **# of grants for target regions** |  | 14 | 25 | 15 |
| **Other regional activities (information and learning sharing)** | JA oblast, IK oblasts | JA , IK, Chui oblasts | JA , IK, Chui, Naryn, Osh oblasts | JA , IK, Chui, Naryn, Osh oblasts |

All in all, 395 municipalities (131 aimaks in IK and JA oblasts, and 264 aimaks and small towns in Chui, Naryn and Osh oblasts) will be covered by the Project during the period of Phase II. Participating in training and peer to peer activities facilitated by the Project, including the small grant program, which is aimed to encourage non-target municipalities to apply the Model all municipalities have an opportunity to compete for a grant to support their local priority based projects. Information and best practices will be disseminated among all the 457 aimaks of the Republic through national level events, mass media and “Municipality” Journal. Any change in Legislation and/or National policy shall also have a positive effect on all LSGs in Kyrgyzstan.

It is critical to ensure sustainability of the results achieved through the VAP. To ensure sustainability Exit strategy will be developed during the Phase II. For this purpose assumptions and risks for sustainability will be assessed during the mid of the second phase. Realizing that the main goal of the exit strategy is to ensure sustainability of the outcome results, the main exit goal for VAP is to institutionalize knowledge transferred to beneficiaries and which is more important – application of the knowledge – practices.

Thus it is critical that partnering during various phases and stages of the Project municipalities apply the Community engagement Model, which is legalized through National and local legislations; and these practices are disseminated and are being duplicated by other municipalities to follow new requirements of the Nation-wide legislation.

## Exit strategy

During implementation of the Phase II VAP will internally assess sustainability risks in the selected municipalities of the Phase 1 pilot oblasts, analyze and share lessons learned. If the analysis reveals the need, VAP will develop mitigation plan. Lessons learned and mitigation plan will be presented to the stakeholders for discussion and dissemination. Exit strategy initial discussions and further implementation will be performed in a way promoting strong sense of ownership among LSGs’ local communities, CSOs and National level partners of the results and to continue started practices; to confirm the extent communities and LSGs value the achievements and that the demand for participation is in place, goes along with the national policies and legislation, and knowledge and skills to engage into and to participate is efficient.

The following are key targeted audiences VAP will cooperate to develop, discuss and implement the exit strategy:

* The Embassy of the Switzerland in the Kyrgyz Republic
* Regional and National SCOs, NGOs involved in VAP discussions and information dissemination during the Phase I and II for further using the Model and promoting its application throughout the country by communicating with local level CSOs and NGOs, which are often members of the Regional and National networks
* LSGs will be approached through Municipality publication and operation of the Association of LSGs (as a result of efforts from PSI and VAP) to have an access to the best practices on community engagement and thus gained benefits; as well as a regular tool to voice needs for reforms to the National level (lobby)
* Universities, institutions, academicians which will be largely contacted and informed about the nature and practices of the community engagement Model, and which will be provided a support to integrate the concept into training programs for public servants. Donor organizations and their implementing partners to further use of the Model as a whole and various elements of it though following the main direction – institutionalization of the community engagement as a mandate of local governments within the LSG system (more active role of Local councils in close cooperation with communities through Initiative Groups, M&E and other similar groups formed under other projects)
* National policy makers (state agencies, ministries, Parliament) to follow the decentralization oriented LSG reforms developed and adopted during the period of 2012 – 2015 in general; introduce tools of assessment of service delivery taking into account such criteria as budget transparency, community engagement and public monitoring and assessments’ results.

Exit Phase shall include a 2-year period with no geographic extension of Model implementation in specific regions of Kyrgyzstan, as by 2019 sufficient critical mass should be gained to ensure LSGs are engaging local communities into budgetary process on the local level and are capable to respond to citizens’ needs. Legislation is also expected to be supportive and enhancing decentralization enabling LSGs to focus primarily on local needs and priorities and being capacitated (with authorities and funds) to respond the needs.

The following aspects may be considered for inclusion within a 2 – 3 year exit phase:

* Review lessons from VAP first and second phases.
* Repetition of trainings in areas with the weakest absorption of VAP knowledge transfer.
* Advocate – through donor coordination mechanism – for adoption of common approach by other projects and partners.
* Assessment, publication and dissemination of best practice.
* Capacity development of wider group of non-state actors to carry advocacy work forward.
* Organization of a national conference to promote VAP experiences. Use the opportunity to invite Municipalities from across the country.
* Review of requirements for capacity development of the municipal sector in the longer-term.
* Present evidences of benefits and close interaction of community engagement and budget transparency with service/welfare delivery; and a long-term vision for LSG operation according to subsidiarity principle, involving a range of actors and lobbyist from civil society.
* Institutionalize the Model though various legislation to ensure that budget transparency and community engagement is a must for LSGs, that LSG officials are being assessed by the Central Government against responsiveness and accountability to the citizens.

# Organization, Management and Administration

Implementation of Phase II of the Project will take 48 months, starting from April 1, 2015 and ending on March 31, 2019. VAP will operate on the National level and work directly and indirectly with Central Government, NGOs, Institutions, Mass media located in Bishkek. VAP will also operate on the level of municipalities in pilot oblasts: Chui, Osh and Naryn. Operation in oblasts will be implemented gradually starting in Chui (2015) and later entering Osh and Naryn (2017). In each oblast VAP will be active for 2 years to ensure the Model is in place, functioning and environment for sustainability is achieved. On the level of each oblast activities will be conducted for competitively selected target municipalities and all other rural municipalities in each oblast, which requires a lot of coordination efforts on a par with technical expertise. On oblast level VAP will also operate in cooperation with oblast level state agencies and departments, with oblast level mass media, NGOs, CSOs.

The Project will be managed proceeding from this Project document by Bekbolot Bekiev, National Team Leader - Project Manager, in cooperation with Nadezhda Dobretsova, Chairwoman of the Development Policy Institute Board, and will be closely coordinated with SDC. The formed and operating Steering Committee will carry out activities in accordance with the Statute and consist of the representatives of KR Government, SALSGIR, MoF, CSO and SDC. The Project will take the role of the Secretariat of the Steering Committee. Members of the Committee will meet at least once per year to discuss and consider program documents, implementation. DPI Chair will also ensure coordination and synergy implementation of VAP and PSI. The graphic scheme of the Project set-up is demonstrated in **Аnnex 2.**

According to the Project implementation strategy (Part 4 of this document) the following specialists will work during Phase II of the Project. The TOR for each specialist is included in **Аnnex 3.**

|  |  |
| --- | --- |
| **Position** | **Person** |
| 1. Headquarters Head | Nadezhda Dobretsova |
| 1. Team Leader | Bekbolot Bekiev |
| 1. Manager for work with local governments and communities–Deputy Project Manager | Sabina Gradwal |
| 1. Manager for work at the national level | Asel Mambetova |
| 1. Legal Specialist | Bektur Orozbaev |
| 1. Specialist on evaluation and monitoring | Medetbek Sultambaev |
| 1. Municipal Management and Education Specialist | Nurdin Kumushbekov |
| 1. Exchange and Best Practice Specialist | Gulayim Shamshidinova |
| 1. Specialist on intergovernmental finance | Nazira Tulundieva |
| 1. Municipal finance Specialist | Azamat Mamytov |
| 1. Grant Specialist | Sultan Mairambekov |
| 1. Media and PR Specialist | Nurgul Jamankulova |
| 1. Field expert on work with local governments | Roza Suranchieva |
| 1. Field expert on work with local governments | Tanat Osmonkulov |
| 1. Field expert on citizen participation | Ainura Balakunova |
| 1. Field expert on citizen participation | Anara Musaeva |
| 1. Field activities coordinator | Altynai Buzurmankulova |
| 1. Program\ Grant Assistant | Nargiza Sadykova |
| 1. Regional coordinator - Osh 1 | Vacancy |
| 1. Regional coordinator - Osh 1 | Vacancy |
| 1. Regional coordinator - Naryn - 1 | Vacancy |
| 1. Regional coordinator - Naryn - 1 | Vacancy |
| 1. Accountant | Beishenkulova Nazgul |
| 1. Office manager | Ekaterina Beletskaya |
| 1. Financial assistant (part-time) | TBD |
| 1. IT Specialist | Balybin Stanislav |
| 1. Secretary | Guzel Janalieva |
| 1. Driver-logistician | Valery Koldasov |
| 1. Peon | Inna Lesogorova |

Additional experts shall have to be hired to fulfill specific types of works:

* Local gender expert;
* Short-term Municipal Property Expert;
* Short-term consulting services/expertise on other issues based on priorities (finance, legal, governance, policy, technical, publishing, outreach, etc.). Short-term expertise will be both local and International. The topic for international expertise is decentralization, specifics will be formulated once the local need is identified.

The Project will subcontract service with service providers on certain issues, which require special knowledge and skills or that are complementary, as well as to involve more NGOs to implement the Project.

Information technologies are applied in the office activity which is carried on in compliance with the KR legislation. Services and goods procurement shall be executed in accordance with the Accounting Policy of the DPI and requirements and rules of SDC. The accounting and reporting have been arranged in accordance with the international standards and the computerized accounting is applied. Proceeding from the outcomes of Phase II, an auditing company, which has gained international recognition, shall be selected to confirm the Project reports. Internal auditing shall be performed by the Internal Audit Commission of the Institute of Development Policy.

# Resources

The total number of people to be involved in Phase II of the Project is 29, of them: 4 people – managerial staff; 8 – program specialists; 4 LSG level cooperation program specialists (LSG and local community), 4 regional representatives; program assistance and coordination type staff – 2 people; and 7 – administrative and technical staff. Resources available for 100% will ensure constant access to quality expertise needed to achieve tasks of the VAP. To perform the Project needs standard computers and office equipment, which was procured mainly during the Phase I.

It should be noted that, in accordance with the results of the external evaluation and the recommendations of the SDC the number of the Project employees deployed in Bishkek office, reduced by 4,5 people (senior finance specialist, specialist working with LSG - 1 person, specialist working with the local community -1 person, field work assistant – 1 person; financial assistant will be hired for 50% only.). Also the position of manager for fiscal decentralization and local budgets is reduced. All work at the national level will be coordinated and monitored by one person - the manager on the work at the national level. This will optimize the performance at the national level and increase the responsibility of the relevant manager.

Moreover, in the Phase II of the Project it is proposed to introduce the institution of permanent regional coordinators in the pilot regions instead of rayon/AO level consultant: in Chui oblast – Bishkek staff will perform all works but, in Osh and Naryn oblasts - 2 persons each will perform locally. The latter will be phased in, according to the beginning of the project in the respective oblasts. They will work on a permanent basis during the term of the Project implementation in these oblasts and, as a consequence, their work will focus exclusively on the Project activities in the respective oblasts and will be aimed at achieving the goals and objectives of the Project. Permanent regional coordinators in Osh and Naryn oblasts will be placed in very slim regional offices to be set up around the time of the VAP’s launch in relevant oblasts ( in 2017). Level of efforts of the regional coordinators depend on the time-frame for VAP interventions in the relevant regions.

The overall budget for the Phase II of the VAP is for 4 650 000 CHF with over 40% budget for the Project Administered funds. Detailed budget is in the **Annex 5.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Code** | **Function/ Designation** | in CHF |  |
| Budget Phase |
| **PART 1:** | **Services Headquarters [HQ] [short-term]** |  |  |
| 1,1 | Fees HQ staff of Contractor | - |  |
| 1,2 | Reimbursable costs HQ staff | - |  |
|  | TOTAL Part 1 | **0** | **0%** |
| **PART 2:** | **Local Office [LO] of Contractor** |  |  |
| 2,1 | Fees local office staff of contractor | 128 915 |  |
| 2,2 | Reimbursable costs | - |  |
|  | TOTAL Part 2 | **128 915** | **3%** |
| **PART 3a:** | **Long-term experts** |  |  |
| 3,1 | Fees Professionals (expat and national) | 1 453 371 |  |
| 3,2 | Travel expenses of resident expatriates and dependants | - |  |
| 3,3 | Expenses of foreign residence | - |  |
|  | TOTAL Part 3a | **1 453 371** | **31%** |
| **PART 3b:** | **Short-term experts (Consultants)** |  |  |
| 3,4 | Fees international and national short-term experts | 105 100 |  |
| 3,5 | Reimbursable costs | 9 000 |  |
|  | TOTAL Part 3b | **114 100** | **2%** |
| **PART 3c:** | **Local support** |  |  |
| 3,6 | Remuneration of national support staff | 381 120 |  |
| 3,7 | Reimbursable costs | 162 100 |  |
| 3.8 | Total Purchase of equipment for PIU | 30 000 |  |
| 3.9 | Total operating costs PIU | 450 544 |  |
|  | TOTAL Part 3c | **1 023 764** | **22%** |
| **PART 4** | **Administrated Project funds** |  |  |
|  | Output 1.1.Ccommunity driven budgetary process framework is in place and functioning | 166 250 |  |
|  | Output 1.2. Citizens assess LSG's performance | 79 700 |  |
|  | Output 2.1.LSGs institutionalized local community engagement in local budget process | 182 300 |  |
|  | Output 2.2.Knowledge and skills (including investment project management) of LSGs' servants and local councils increased | 1 291 600 |  |
|  | Output 2.3.National decentralization policy (political, administrative and financial) is improved | 196 000 |  |
|  | Output 2.4. Municipal Servants' system including qualification development is improved | 14 000 |  |
|  | TOTAL Part 4 | **1 929 850** | **42%** |
|  | **GRAND TOTAL** | **4 650 000** | 100% |

# Risk Analysis

For the Second Phase VAP considers the following as potential risks and suggests correspondent mitigation measures.

|  |  |  |  |
| --- | --- | --- | --- |
| **Main identified risks related to the intervention** | **Probability of incidence** | **Impact** | **Planned measures *(for mitigation or others)*** |
| **Contextual** | | | |
| Lack of political will of the state to follow program strategic documents related to reforms in local self-government. | Low | This risk is of a system character. Lack of political will might influence the decentralization agenda and thus affect the entire system of LSG. | Therefore, it is important for the Project to work both at the national and local levels simultaneously. From the one hand, it must actively engage with the Parliament, the Government, sectoral ministries, and SALSGIR to create a common understanding on the further deepening of the decentralization process, and on the other hand, it should continue to strengthen the capacity of the municipalities to enable them to better respond to the needs of the citizens. |
| The deteriorating economic situation, citizens’ dissatisfaction in regions. | Medium | This risk is of a system character.  This could give a handle for the politicians to wind down reforms on decentralization – the myth about a more efficient centralized management could defeat. | It will be important to educate the various groups, including deputies, politicians, academics and young people about the benefits of decentralized governance in resource-poor settings. VAP will intervene into decentralization benefits awareness, though additional resources and participation are needed and should be raised for attention of the SALSGIR and the DCC. |
| The level of public confidence in the authorities is not sufficient. | Low | This can affect citizens’ demand for budget information and accountability. | VAP will continue development efforts towards mass media and NGOs, state bodies responsible for control/enforcement to influence the level of trust towards LSGs among population. |
| Lack of funds in the republican budget | Medium | This risk is of a system character. Lack of funds can create conditions for centralization by the state of budget authorities and financial resources in the republican budget. The decision on negative grants could be made – withdrawal of money from local budgets without a place for motivation of LSGs to increase their revenues. | To prevent it, the Project will carry out information and education work to promote the ideas of decentralization effectiveness in conditions of insufficient budget resources. As to MoF, the Project will continue close coordinated collaboration within Memorandum. |
| **Program** | | | |
| Lead to excessive overloading of LSGs with the delegated powers. | Low | This risk is of a system character. Reluctance of the ministries to formalize relations with LSGs in the form of contracts. Reluctance of the MoF to perform calculation on financing of delegated powers. Lack of funds also prevents LSGs from allocating funds to respond local needs. | VAP gained results during Phase I, which is a starting point to resolution demonstrating the political will on the National level. VAP shall continue providing support to the Central Government on the reform. |
| Limited resources of the national budget are not sufficient to cover expenses for municipal servants’ training under the System for capacity development of the State Personnel Service. | High | Lack of training and other capacity building resources availability to LSGs can affect efficiency of Model application and have less impact overall on public finance management mode. | The Project will conduct trainings on specific topics to compensate for lack of trainings under the System, as capacity of LSGs is crucial for better service delivery |
| Reform of administrative-territorial structure of Kyrgyzstan. | Low | Implementation of the reform may result in merge of smaller municipalities and thus change of leaders (heads) of municipalities and local councils as well | Though the Project shall evaluate potential consequences of this risk while selecting target municipalities**.** Probability of the risk is rather low as the Central Government does not have a schedule for merging implementation, nor a system of motivation for voluntary merging of municipalities. |
| National legislation may not include rules on obligatory conduct of public budget hearings. | Medium | This will increase the reluctance of LSG in strengthening citizen participation in the budget process and in being accountable to the local community. | The project will convince the Parliament deputies that the rules of the hearings play a great role in increasing the efficiency of public finance management and the corruption prevention. Even if it these rules are not integrated in legislation Code, the Project will work with the Ministry of Finance for their inclusion in the regulatory and methodological acts of the Ministry of Finance or promote obligation otherwise. VAP shall also continue cooperation with the Chamber of accounts to strengthen their role in demanding LSGs accountability to local communities, engagement of residents in budgetary process. |
| Limited resources of the national budget are not sufficient to cover expenses for municipal servants’ training under the System for capacity development of the State Personnel Service. | High | The need for municipal servants training is high. Level of capacity is essential for the Model operation and further long-term impact of the results, which could be affected if trainings are not provided. | The Project will conduct trainings on specific topics to compensate for lack of trainings under the System, as capacity of LSGs is crucial for better service delivery |
| Lack of will among LSGs to be target and partner municipalities of the VAP. | Medium | Reluctance of LSG bodies to strengthen participation of citizens in the budget process and to be to a greater extent accountable to the local community. LSGs have no staff responsible for information policy, community engagement; many heads of LSGs do not consider citizen participation as an important part of governance. | The risk can be overcome through a dialogue with the selected target LSGs. In addition, when selecting 27 targets, the Project will take into account the desire of AOs to cooperate with the Project and involve the population into the solution of local issues and budget process. |
| Partner and target municipalities are reluctant to introduce public assessment | Medium | Unskilled heads of LSG bodies do not want to see public assessment/evaluation results (LSG performance/service assessment), while dishonest heads of LSG bodies distort public assessment evaluation results. This undermines the trust among local communities in LSGs and affects the level of citizen participation | When selecting targets, the Project will sign with them memoranda on cooperation to confirm the desire to make evaluation. Heads of LSGs will be informed that evaluation is aimed at improvement of their work quality. On a par with direct discussions and educating LSGs officials, VAP will promote implication of obligatory community engagement, including public assessments, on the national level. Best practices will also be disseminated and the concept will be promoted through activities for mass media and cooperation with NGOs, youth. |
| **Institutional** | | | |
| Lack of Educational institutions engagement on the Public servants capacity development System under the SPS | Medium | Lack of interest towards participation among educational institutions shall undermine the system sustainability. | The project will encourage educational institutions to cooperate with each other, so they will cooperate for participation in public procurement, which will increase their chances of success, give confidence. In addition, the Project will disseminate success stories on how to participate in the state procurement and how it influenced on the development of educational organizations. |
| Lack of knowledge among local councilors. | High | Local councilors fail to perform due to lack of knowledge about their role, legal aspects of LSG operation. The state does not allocate funds for the training of deputies of local councils | VAP will also provide some training to local councilors in target municipalities and input resources into learning and information sharing among other local councilors through publications. If additional funding is available, it would be efficient to cover all local councilors with trainings in oblasts cooperating with the Project (similar to additional DFID funding). |
| Reluctance to bear responsibility for procurement under the small grant program (investment management sills development tool) | High | LSGs lack skilled certified staff to conduct procurement and still are not familiar with and supportive to the concept of being fully responsible for projects implementation with Donors’ grants money. | VAP will disseminate information about the lessons learned in 2012 - 2014 from the Grant program, as well as information about support of the concept for LSG’s responsibility and procurement by officials from the MoF. LSGs will be provided with an opportunity to participate in training and apply for Certificate allowing conducting procurements using public funds. VAP will also ensure professional technical expertise on the quality of projects’ design from legal, engineering and other points of view. VAP will inform the MoF and the Treasury about the status of grant program implementation to ensure targeted use of funds transferred from VAP to local budgets. |
| Small grants program has a potential for creation of tensions and conflicts between LSGs, between community members and dissatisfaction with the project due to the limited resources allocated for each small grant and the mechanism of small grants distribution. | Medium | This may result in disappointment with the VAP | VAP shall strengthen awareness among LSGs and local communities about the essence of the grant program as a tool for LSGs to manage limited public funds in an effective mode, to practice gained knowledge on investment management. |

# Monitoring and Evaluation

## 9.1. Key objectives of the Monitoring

Provide support to the project management process through provision of information for management decision making:

1. Provide information about the project implementation to stakeholders
2. Ensure opportunities for interaction with the stakeholders, in particular with the beneficiaries of the project
3. Defining problems and identification of barriers in the project implementation, lessons learned, determine the success of the project
4. Ensuring the implementation of the project in accordance with the ProDoc, LogFrame and Annual Work plans, and thus provides sufficient and reliable information to measure results

## 9.2. Measuring results

VPA results will be assessed at three levels:

* immediate results (outputs);
* effects obtained (outcomes);
* impact (of the project).

## 9.3. Monitoring and evaluation tools

Main tools for conducting monitoring and evaluation are the following:

1. Logframe
2. Theory of Change diagram
3. Regular reports of the project specialists, contracted consultants, experts
4. Information data base for collection, analysis and provision of necessary data
5. Studies on the impact evaluation and baseline assessments
6. Steering Committee operation
7. External and internal reviews.

Different tools will be used at different levels.

VAP will also ensure financial monitoring and reporting using: rules of the National accounting system, Internal Control System, as well as regular auditing by an independent auditor to be procured through a tender.

## 9.4. Measurable indicators

Following the structure of the VAP developed based on the proposed theory of change measurable indicators were identified to measure:

* Products on the output level, which are mainly of quantity oriented (such as a number of training participants among LSG staff and Local councilors (output 2.2.) or a number of municipalities that practice community engagement tool (output 2.1.)
* Inter-mediate results to assess if products influence implementation of the task (e.g.: number of changes introduced to local budgets as a result of participatory budgeting (outcome 2), which should prove that as a result of training (intervention under output 2.2.) trained LSGs apply knowledge and are convinced to be transparent, accountable and engaging community in the local budgetary process after they have received more intense TA and support in use of the participatory budget process (intervention under output 2.1.)
* Impact as a long term result is to be measured by quantity indicators reflecting changes in the quality of life, such as level of satisfaction with local service. This indicator based on lower level indicators shall demonstrate the following consequences of results: trained LSG conducted public budget hearing (practiced community engagement tool) and introduced changes into the budget based on concern from residents regarding a specific service (water, road, street lightening, other local issues), thus addressed a concrete problem which was faced by the Budget hearing participant and his/her neighbors as changes in the budget mean allocation of funds to fix a problem. Fixation of problems in such a structured way through citizen participation shall result in satisfaction of the hearing’s participant concern and thus increase the level of satisfaction with a particular local service.

(LogFrame specifies indicators for all levels)

## 9.5. Data Sources

Based on the VAP implementation strategy and organizational structure data sources were identified.

Majority of the sources on the output level would be reports from Project staff, long and/or short-term experts performing specific tasks/implementing planned activities. Special matrix forms are developed for data entry into the unified data base.

Program staff reports, information from municipalities (on application of the knowledge and result of TA, consultations, e.g.: information on number of legal recommendations provided by the project; information on introduced changes to the budget) would be the main source. Assessing this level, i.e. mid-term results will require special researches as well. Results of this type monitoring and assessment will also be widely used for programmatic activities, especially on work on the national level requiring arguments from practitioners.

Impact assessment will rely on data from municipalities – owners of data with numbers of participants of their/municipal engagement events; and on results of the national survey which will provide data on the level of satisfaction with local services on the local level. Base-line was conducted by VAP at the beginning of the Phase I, the second – by the end of Phase I to measure results of the Phase I and will serve base-line for later evaluations and impact assessments. The third national survey will be conducted by the end of Phase II.

## 9.6. Project reporting system

1. The project reporting system is organized in accordance with the internal regulations on reporting of the Development Policy Institute. Project specialists and consultants provide monthly and quarterly reports to the project manager. Project reports to donors and other stakeholders are provided 2 times per year - semi-annual and annual reports.

**Project reporting**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Recipient***  **Reporter** | ***Donors/***  ***Beneficiaries*** | ***DPI Managementt*** | ***Project manager*** | ***Specialists*** | ***Consultants*** |
| **DPI management** | Semi-annual and annual reports |  |  |  |  |
| **Project manager** |  | Semi-annual and annual reports |  |  |  |
| **Managers** |  |  | Quarterly report |  |  |
| **Specialists** |  |  | Monthly report |  |  |
| **Communities** |  |  |  |  | Final report |

1. Progress reports include the following: analysis of planned and conducted activities, achievement of the project indicators as compared to the baseline indicators planned in the project logframe, difficulties in the implementation and solutions, upcoming issues to address, lessons learned and benefits.
2. The project reporting is based on the information database of financial and non-financial data, which contains data on all levels of the project. One of the key objectives of the information database is to track the project indicators. The information database is created as an effective project management tool. The information system provides timely information on the project. The database will be used by employees and regional specialists, project consultants. Management of the information system will be implemented at the project level.

## 9.7. Evaluation of the project impact

1. Evaluation of the project impact is based on the measurement of outcomes and impacts achieved in comparison with the goals set in the project logframe. The measurement of results is carried out by conducting baseline studies and impact assessment. DPI has conducted baseline assessment in the framework of the pilot project, which covered all oblasts of Kyrgyzstan. The baseline assessment provides information prior to project implementation.
2. Impact assessment is conducted in the form of regular qualitative and quantitative researches to assess the improvements of services provided before, during and after the project implementation. Mid-term evaluation will be conducted within the project. The mid-term evaluation will provide information to improve project management. The impact assessment is carried out by specialized companies and communities.
3. During the middle stage of Phase II, VAP will carry out assessment of sustainability factors and risks for exit phase design.

**Monitoring of the project indicators**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Indicators/Period** | | | Baseline indicator | Actual indicators  (for reporting period) | Target indicator |
|  | № |  | 2015 |  | 2019 |
| Impact indicator | 1 | **Indicator # 1.** |  |  |  |
| Number of citizens participating in decision making (including women and other groups) – indicator includes indicator 1 of outcome 1, and data from non-terget municipalities |  |  | 30 000 |
| 2 | **Indicator # 2.** |  |  |  |
| Level of satisfaction with local services (among all population groups). |  |  | +10% |
| Outcome indicator # 1 | 3 | **Indicator # 1.** |  |  |  |
| Number of citizens (including women and minorities) participating in decision making at local level (targeted municipalities) |  |  | 27 000 |
| 4 | **Indicator # 2.** |  |  |  |
| Number of initiatives that were identified and prioritized in result of interaction between LSG and citizens |  |  | 200 |
| 5 | **Indicator # 3.** |  |  |  |
| Percent of M&E groups that have documented municipal service performance improvement |  |  | 30% |
|  |  | Sustainability risks assessment | 2017 |  |  |
| Outcome indicator # 2 | 6 | **Indicator # 1.** |  |  |  |
| Number of municipalities that utilise citizen participation model in budget process |  |  | 30 |
| 7 | **Indicator # 2.** |  |  |  |
| Value of municipal index of budget transparency |  |  | + |
| 8 | **Indicator # 3.** |  |  |  |
| Number of proposals introduced to the local budget and approved by Local Council, as a result of PB process |  |  | 100 |
|  |  | Sustainability risks assessment | 2017 |  |  |

# Аnnex 1. Logframe

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hierarchy of objectives**  **Strategy of Intervention** | | | **Key Indicators** | | | **Data Sources Means of Verification** | | | |
| Public finances are managed by LSGs in a more transparent and effective mode through greatly increased accountability and citizen participation in decision making process | | | Number of citizens participating (including women and other groups) in decision making process.  Level of satisfaction with local services increased (among all groups of population). | | | Survey/researches results  Monitoring and evaluation results | | | |
| **Outcomes** | | **Outcome Indicators** | | | **Data Sources Means of Verification** | **External Factors**  **(Assumptions & Risks)** | | | |
| **Outcome 1.** Citizens’ engagement and responsibility in local decision making is strengthened | | # of citizens participating (including women and other groups) in decision making process.  # of initiatives identified and prioritized through a joint process involving by LSGs and citizens  % of M & E groups that have documented municipal services performance improvement | | | * Project reports on events, including registration lists of participants; * Reports on PRA, including priorities identified * Action plans of target AAs * Minutes and reports on public hearings, meetings of Initiative Groups, focus groups * Local assessments results | **Assumptions.** Model Local community Charter was approved in 2014. It prescribes detailed mechanisms of citizen oversight and participation in local decision making however municipalities in general throughout the whole country yet had not adopted their own Charters in accordance with Model Charter.  **Risks.** Lack of will on the part of LSGs to increase citizen participation in the budget process and their accountability to local communities; low interest on the part of citizens due to low level of trust to LSGs. | | | |
| **Outputs (per outcome) and costs** | | **Output Indicators** | | | **Data Sources Means of Verification** | **External Factors**  **(Assumptions & Risks)** | | | |
| Output 1.1. • Community driven budgetary framework is in place and functional; | | # of CSOs, local community representatives trained on citizen participation in LSG, including budget process  # proposals to local budgets introduced by local community, CSOs | | | * Training reports, including lists of participant registration * Trainees’ tests results * Minutes of public hearings * Approved local budgets | **Assumptions.** Constitution and Law on Access to Information provide appropriate framework for budget information disclosure. But existing laws on formation and implementation of local budgets do not stipulate in detail requirement on conducting mandatory public budget hearings.  **Risks.** Mandatory legal requirements may not be included in the Draft Budget Code. Lack of LSGs’ will to work with community as a result of increased accountability of LSGs to central Government (lack of development of weakening of political autonomy of LSG). Low interest on the part of citizens. | | | |
| **Activities of output 1.1.** Community driven budgetary process framework is in place and functioning | | | | | | | | | |
| *Capacity development through trainings and TA; support and TA in practicing; practices and lessons learned dissemination; communication of achievements and constraints to the policy makers to improve enabling environment*   * Trainings (Training modules design, modules update, ТОТ), seminars on experience exchange, discussion of results, etc. * Training of LSGs and facilitation of PRAs in target АА, Action Plan design, creation of Initiative groups * Capacity increase of Initiative groups and M&E groups (training, facilitation, discussion of lessons learned, presentations for LSGs, conveying information to decision makers). * Facilitation of Initiative groups’ activity: PRAs, Action Plans, meetings, public budget hearings, other hearings, AP monitoring, participation in Local Initiative competition on AP implementation, grant program, Charter discussion, participation in open sessions of local councils, etc) * Local Initiative competition for local communities (organization, conducting, prizes). * Regional forums * Competition for NGOs on promoting rights to participate in budget process (organization, conducting, prizes) * Design of cases/best practices; dissemination through various channels | | | | | | | | | |
| **Outputs (per outcome) and costs** | **Output Indicators** | | | | **Data Sources Means of Verification** | | | | **External Factors**  **(Assumptions & Risks)** |
| Output 1.2. Citizens driven monitoring and evaluation system for LSGs is introduced. | | # of CSOs, local community representatives trained on monitoring and evaluation of LSG activities  # assessments of LSG activities conducted by CSOs, local community representatives  # municipalities that established local legal framework for conducting LSG activities assessment | | | * Training reports, including lists of participant registration * Minutes and reports on conducting LSG activities assessment * Local legal acts that introduced requirements for conducting LSG activities assessment | | | | **Assumptions.** Some experience of evaluation process has been accumulated, which may be successfully applied if streamlined and adapted.  **Risks.** Assessment of LSG activities is not done on regular basis. Weak heads of LSGs are reluctant to see evaluation outcomes, and dishonest heads of LSGs distort evaluation outcomes. |
| **Activities of output 1.2.** Citizens assess LSG’s performance based on Action Plans’ implementation | | | | | | | | | |
| *Capacity development through trainings and TA; support and TA in practicing; practices and lessons learned dissemination; communication of achievements and constraints to the policy makers to improve enabling environment*   * Trainings (Training modules design, modules update, ТОТ), seminars on experience exchange, discussion of results, etc. * Facilitation of LSG activities’ assessment * Capacity increase of M&E groups * Training and technical assistance to LSGs to institutionalize citizen assessment * Support of Municipal Index on Budget Transparency (MIBT) calculation * Surveys (including design and application of Citizen Participation Index in LSG * Round tables, seminars and other events on citizen assessment discussion * Technical, consulting and other support of local community in monitoring of Action Plans’ implementation * Design of cases/best practices; dissemination through various channels | | | | | | | | | |
| **Outcomes** | | **Outcome Indicators** | | | **Data Sources Means of Verification** | | **External Factors**  **(Assumptions & Risks)** | | |
| **Outcome 2**  LSG’s responsiveness to civic initiatives is increased | | # municipalities that utilized citizen participation model in budget process  Value of Municipal Index of Budget Transparency  # proposals introduced to the local budget and approved by Local Councils, as a result of PB process  # legal and other expert recommendations provided by the Project | | | * LSGs reports and decisions * Action plans of municipalities * Survey results * Minutes of public hearings * Citizen’s proposals * Approved local budgets * Legislation and other acts on national and local level * Legal and other expert recommendations | | | | **Assumptions.** The current legislation regarding LSG’s governing and managing capacity to adequately respond to citizens’ needs has to be changed further on.  **Risks.** Lack of political will on the part of the State to follow through strategic policies related LSG reforms. |
| **Outputs (per outcome) and costs** | | **Output Indicators** | | | **Data Sources Means of Verification** | | | | **External Factors**  **(Assumptions & Risks)** |
| Output 2.1. LSG’s governing framework reoriented towards citizens participation; | | # municipalities that introduced mechanisms of citizen participation in budget process into local legal acts  # conducted activities on engaging citizens into budget process  # municipalities that practice more than 3 tools of engaging citizens into decision making process | | | * Local legal acts where mechanisms of community participation in budget process were introduced * Reports on conducted activities, including lists of participant registration * Survey results | | | | **Assumptions.** Based on approved Model Charter of local community that prescribes detailed mechanisms of citizen oversight and participation in local decision making municipalities will adopt their own Charters and create legal framework to engage citizens in decision making process.  **Risks.** Lack of will on the part of LSGs to increase citizen participation in the budget process and their accountability to local communities; low interest on the part of citizens. |
| **Activities of output** 2.1. LSGs institutionalized local community engagement in local budget process | | | | | | | | | |
| *Capacity development through trainings and TA; support and TA in practicing; practices and lessons learned dissemination; communication of achievements and constraints to the policy makers to improve enabling environment*   * Trainings (Training modules design, modules update, ТОТ, training delivery, monitoring, knowledge evaluation) * Capacity increase (technical assistance, consultations, facilitation, knowledge application) * Technical assistance in organization and conducting activities on budget transparency, citizen participation in budget process, meetings, reports, etc.) * Technical support to LSGs in Public hearings (support of mechanisms – bulletins, web sites, information boards, etc) | | | | | | | | | |
| **Outputs (per outcome) and costs** | | **Output Indicators** | | **Data Sources Means of Verification** | | | | | **External Factors**  **(Assumptions & Risks)** |
| Output 2.2. Budget Management practices of LSG’s legislative and executives are strengthened; | | # of trained LSG’s servants and Local deputies  % of knowledge increase among trained LSG servants and local deputies;  # of implemented projects based on community priorities  # of beneficiaries from implemented projects based on community priorities  Level of gender sensitivity of the small grants | | | * Training reports, including lists of participant registration, certificates * Trainees’ tests results * Applications from municipalities * Project descriptions * Reports on project implementation * Monitoring and evaluation project reports | | | | **Assumptions.** Training of municipal servants starting from 2014 will be done through State order by State Personnel Agency. Such approach is totally novel and will be gradually improved and broadened. Training will be done taking into account LSGs’ needs including pertinent issues arising from LSG activities. However training of local council deputies are not envisioned by any programs or state bodies.  **Risks.** Lack of financial means in republican budget will not allow conducting regular training of municipal servants within the framework of the State order on all necessary topics. Passive participation of some local council deputies. |
| **Activities of output** 2.2. Knowledge and skills (including investment project management) of LSG’s servants and local councils increased: | | | | | | | | | |
| *Capacity development through trainings and TA; support and TA in practicing; practices and lessons learned dissemination; communication of achievements and constraints to the policy makers to improve enabling environment*   * Trainings (Training modules design, modules update, ТОТ, training delivery, monitoring, knowledge evaluation) * Capacity increase (technical assistance, consultations, facilitation, knowledge application) * Seminars on specific topics (legislation changes, e.g.) * Information exchange events (tours) * Publications * Publishing and disseminating “Municipality” magazine * ТОТ on project management and information campaign * Trainings for LSG on project management (investment project design and management) * Small grants * Trainings on monitoring with community engagement, procurement, etc.; * Trainings on state procurement in training center of Ministry of Finance (to receive certificates) * Practice and learning sharing | | | | | | | | | |
| **Outputs (per outcome) and costs** | | **Output Indicators** | | **Data Sources Means of Verification** | | | | **External Factors**  **(Assumptions & Risks)** | |
| Output 2.3. National decentralization policies are modified and enforced through advocacy and lobbying | | # LSG development discussion events  # publication in mass media on LSG development reforms  # of actors involved into LSG development and decentralization policy discussions | | | * Conference reports, written proposals from discussion participants * List of participants in (round tables, conferences, seminars) * Publications in mass media, in “Municipality” magazine, on project web-site | | | | **Assumptions.** Currentlythere are several strategic LSG related documents such as National Strategy on Sustainable Development for 2013-2017 and LSG Development Program for 2013-2017. Action Plans on implementation of these documents require significant review of national policy and legislation in relation to increasing role and responsibility of LSG bodies and municipal servants, improving budget and tax policy on local level, delineation of functions between state and LSG bodies, monitoring and assessment of LSG activities, etc.  **Risks.** Lack of political will from the State side to follow through program strategic documents, related to LSG reforms. |
| **Activities of output** 2.3. National decentralization policy (political, administrative and financial) is improved and promoted | | | | | | | | | |
| * Legal and other expertise, legislation analysis, design of recommendations, legal acts development, etc. * Publications, presentations, analytics * Seminars, conferences, round tables, schools on LSG development issues with SCOs, NGOs, youth, minorities, women, academic circles and institutions * Publications on LSG related issues for various targeted audiences * Studying international experience (study tours, courses) * Trainings and informational events for mass media (press- sessions, press-tours, trainings, competitions, etc) | | | | | | | | | |

| **Outputs (per outcome) and costs** | | **Output Indicators** | **Data Sources Means of Verification** | | **External Factors**  **(Assumptions & Risks)** |
| --- | --- | --- | --- | --- | --- |
| Output 2.4 Municipal servants’ continuous qualification upgrade system is introduced and strengthened | # recommendations on municipal servants’ system improvement  # trained regional educational institutions  # educational institutions participated (participating) in State Personnel Service bidding | | * Legal and other expert recommendations * Training reports, including lists of participant registration, certificates * Applications to participate in State Personnel Agency bidding | Assumptions. Program on Training development of state and municipal servants for 2013-2017 was adopted in 2014. Within the Action Plan on implementation of said Program several documents were designed such as conducting State order on training of state and municipal servants, methodology on evaluation of conducted training. However there is still a list of legal acts that should be designed. Besides effectiveness evaluation of municipal servants’ training will be conducted for the first time.  At present not all educational institutions have enough knowledge to participate in the State order bidding and are in need of specific training.  Risks. Draft Law on State and Municipal service (servants) will not be adopted and process of reforming municipal service slow down.  Not all educational institutions that were trained will be interested in participation in the State order bidding. | |
| Activities of output 2.4 Municipal servants’ system including improvement of municipal servants qualification is improved | | | | | |
| * Trainings, information campaign for educational institutions on qualifications to participate in State Personnel Agency bidding on training municipal servants * Legal expertise and Technical assistance of the State Personnel Service to improve their abilities to develop legal acts related to municipal servants’ development * Testing effectiveness of conducted trainings (target municipalities) * Expert discussion of testing effectiveness of conducted trainings’ results | | | | | |

# Annex 2. Institutional set- up

**Steering Committee**

Best practice Specialist

Naryn oblast Coordinators

Osh oblast Coordinators

Specialists for the work with communities

(2 persons)

Municipal Finance Specialist



Regional (oblast) coordinators

Manager for work at the national level

Intergovernmental Fiscal Relationship Specialist

Legal Specialist

Municipal Management and Education Specialist



Manager for work with local governments and communities – Deputy Project Manager

Grant Specialist

Specialist for the work with LSGs

(2 persons)

Field activities coordinator

Program/GrantAssistant

Experts

Accountant

Office manager

Receptionist

Driver

Peon

IT Specialist

M&E Specialist

Specialist on work with mass media and project public relations

DPI Headquarters

Project Manager

SALSGIR

SDC

PMO

Ministry of Finance

Other partners

# Аnnex 3. Terms of reference of key project/programme staff and experts

Stated below are general duties of project management and officers; more detailed TOR will be attached to contracts.

**ТоR . Position Chief of the Head Office**

Work duration 295 days

Personal data Nadezhda Dobretsova

Duties on the Project

* Coordination of interaction between the founders, DPI Head Office and the Project
* Coordination of interaction with SCO
* Participation in the meetings at the national level
* Control of the project budget implementation
* Development of the action plan for the subsequent budget phases
* Participation in the writing of interim and final reports
* Control of the work performed by a mass media and public relations specialist
* Control of the work performed by a visualization and sites specialist
* Participation in the work on best practices
* Participation in the work with mass media

**ТоR . Position Team Leader, National**

Work duration 48 months (42 months budgeted)

Personal data Bekbolot Bekiev

Duties on the Project

* Coordination of interaction between the Project, Head Office of the Institute and the founders
* Strategic coordination of interaction with SCO
* Organizing and holding meetings at the national level
* Organizing the work of the project office
* Control of the office manager’s work and procurement
* Execution of labor relations with the project staff
* Organizing accounting reports
* Organizing internal program reporting
* Organizing audit and responsibility for auditing
* Project budget implementation
* Participation in the development of action plan for the subsequent project phases
* Writing of interim and final reports
* Control of the project managers’ work

**A component of the work with communities and LSG bodies**

**ТоR . Position Project Manager for the work with communities and LSG – Deputy Team Leader**

Work duration 48 months (41 months budgeted)

Personal data Sabina Gradwal

Duties on the Project

* Routine coordination of interaction with SCO on organizational and financial issues
* Participation in the meetings at the national level
* Organization and control of target municipalities selection
* Organization of signing memoranda with targets
* Daily control of the project office work
* Participation in the development of action plan for the subsequent project phases
* Writing of interim and final reports
* Control of evaluation and monitoring plan implementation
* Control of internal program reporting
* Control of expert examination on gender issues
* Organization of work and control of the work performed by specialist on the best practices
* Organization of work and control of the work performed by grant specialist
* Organization of work and control of duties performed by field consultants on citizens’ participation
* Organization of the work with LSG bodies and control of duties performed by field consultants
* Organization of work and control of duties performed by 3 regional (oblast) coordinators

**ТоR . Position Exchange of Experience and Best Practices Specialist**

Work duration 48 months (28 months budgeted, part-time basis)

Personal data Gulyaim Shamshidinova

Duties on the Project

* Co-organization of the VAP launch events
* Dissemination of the lessons learned from Issyk-Kul and Jalal-Abad oblasts on MODEL implementation
* Co-review of training materials (from Phase 1) to reflect best practices
* Co-deliver trainings on the Community engagement MODEL with a focus on reporting to communities by LSGs
* Collection of information on introduced mechanisms of citizens’ participation in target municipalities
* Collection of the detailed and documentary information on project activities, for dissemination
* Collection of information on the practices in the sphere of public participation in the budget process over the country
* Development of exchange of experience programs in the country with revealing of municipalities’ priorities and available best practices over the country
* Organization of training trips domestically
* Development of the concept and provision of the best practices type competitions
* Implementation of information campaign on the best practices type competitions
* Organization of the competition commission’s work and evaluation of applications
* Organization of the best practices conference
* Preparation of the publication on best practices
* Organization of regional exchange of experience forums (3 target oblasts)
* Provision of advisory services to LSGs and representatives of communities on organizing the works and ensuring citizens’ participation in the budget process
* Collecting and writing articles for a magazine
* Writing of reports

**ТоR. Position Community Issues Field Specialist**

Work duration 48 months (40,5 budget)

Personal data Anara Musaeva, Ainura Balakunova

Duties on the Project

* Organizing and holding ТоТ on the mechanisms for involvement of citizens in the budget process
* (Co-)Selecting target ayil aimaks in Naryn, Chuy and Osh oblasts
* Organizing the holding of introductory study of the situation in selected target AA
* Coordination of the work of regional consultants in oblasts, monitoring and control of their reporting
* Providing TA on conduct of PRA activities in local aimaks
* Providing TA on conduct of activities on involvement of citizens into solution of local issues and budget activities beyond the scope of the official budget process, in target aimaks
* Coordination of the Project’s interaction with communities in targets
* Facilitation in implementing grant projects
* Work for capacity building of the local communities through the training provided to representatives of local leaders/NGOs
* Work with local NGOs including provision of advisory services on interaction with LSGs, organization and coordination of regional forums
* Work with local communities on facilitation of the initiatives at the local level (participation of SCO in the solution of local issues)
* Providing advisory services to LSGs and representatives of communities on organizing the work and ensuring citizens’ participation in the budget process
* Describing each activity and developing a manual and recommendations on holding thereof
* Writing success stories and articles
* Participating in report development

**ТоR. Position LSG Issues Field Specialist**

Work duration 48 months (40,5 budget for each)

Personal data Roza Suranchieva, Tanat Osmonkulov

Duties on the Project

* (co-) Selection of target ayil aimaks in Naryn, Chuy and Osh oblasts
* Signing memoranda with target ayil okmotus, coordinating a joint work with targets
* (Co-) Developing, Organizing and holding trainings for the officers of targets , local deputies
* Spread of the targets’ experience to other aimaks of pilot oblasts independently and in partnership with field experts for the work with communities and local consultants
* Facilitation to program specialists of the Project in introducing amendments in targets
* Organizing project activities at the regional level, including regional forums, etc.
* Organizing interaction with local state administration bodies
* Providing TA, support to self-government bodies of target aimaks in making evaluation
* Providing TA, support to self-government bodies of target aimaks in holding budget transparency activities
* Carrying out evaluation works and questioning as needed
* Facilitation in grant project implementation
* Providing advisory services to LSGs and representatives of communities on work organization and involvement of citizens into budgeting
* Writing success stories and articles
* Participation in report development

**ТоR. Position Specialist on Grants and Grant Projects Monitoring**

Work duration 48 months (40,5 budget)

Personal data Sultan Mairambekov

Duties on the Project

* Dissemination of the 1 phase grant program lessons, practices, including regional presentations during VAP launch events
* Promotion of the grant program with a focus on the Participatory budgeting MODEL
* (co) Design and delivery of VAP MODEL trainings for LSGs and Local communities, including development of investment management skills by LSGs through Small grant program
* Description of the grant mechanism with the development of the appropriate package of documents
* Organizing and holding of an information campaign on grants
* Organizing a complex of training activities on project development and management for LSG and communities
* Organization and control of technical expert examination on the projects
* Teaching project implementation control to community representatives
* Writing reports on activities
* Monitoring of grant project implementation
* Search of additional financing sources for grant projects developed in the communities
* Providing advisory services to municipalities on the requirements to the grant program participants (PRA activities, joint development of projects by LSGs and community, meetings/sessions/gathering on presentation and selection of the project proposal for grant support of the Project)
* Writing success stories on implemented projects
* Organizing technical aid to target municipalities
* Writing articles

**ТоR. Position Program and Assistant on Grant Projects**

Work duration 48 months

Personal data TBC

Duties on the Project

* Provide assistance to VAP management and experts in organization and conduct of events
* Assistance in preparation and conduct of VAP events on the National level
* Participation in collection of data, information, concerns from the local level for communication to the National level
* Assistance in signing memoranda with National level partners
* Assistance in organizing and holding trainings, seminars, workshops, conferences, etc on the National level
* Assist in correspondence with partners
* Collecting info for success stories and articles
* Assist Experts and management in gathering necessary information
* Assistance in organizing and holding of an information campaign on grants
* Assistance in organizing a complex of training activities on project development and management for LSG and communities
* Assistance in organization and control of technical expert examination on the projects
* Assistance in reviewing package of grant documents
* Writing reports on activities
* Monitoring of grant project implementation
* Writing success stories on implemented projects
* Organizing technical aid to target municipalities
* Writing articles

**ТоR. Position Regional (Oblast) Coordinators for the Work with LSG**

Work duration up to 25 months

Personal data 4 Vacancies

Duties on the Project

* Participation in selection of target ayil aimaks in Naryn, and Osh oblasts
* Assistance in signing memoranda with target ayil okmotus, coordinating a joint work with targets
* Assistance in organizing and holding trainings in target ayil okmotus
* Facilitation to program specialists of the Project in introducing amendments in targets
* Organizing project activities at the regional level, including regional forums, etc.
* Establish and maintain contact with various collaborating partners in the region at the local level, national level (including ministries), other local governance initiatives and relevant civil society organizations and networks
* Monitor and deliver data from the region for reporting on outcomes and outputs of all components
* Writing success stories and articles
* Participation in report development

**ТоR. Position Field activities coordinator**

Work duration 48 months

Personal data Altynai Buzurmankulova

Duties on the Project

* Participation in selection of target ayil aimaks in Naryn, Chuy and Osh oblasts
* Assistance in signing memoranda with target ayil okmotus, coordinating a joint work with targets
* Assistance in organizing and holding trainings in target ayil okmotus
* Coordination of memo signing and events scheduling
* Facilitation to program specialists of the Project in introducing amendments in targets
* Coordination of organizing project activities at the regional level, including regional forums, etc.
* Monitor and deliver data from the regional coordinators for reporting on outcomes and outputs related to VAP operation in target municipalities
* Assist in design and delivery of trainings on community engagement Model
* (Co-) Writing success stories and articles
* Participation in report development
* Main link of Bishkek office with regional coordinators

**A component of the work at the national level**

**ТоR . Position Manager for the Work at the National Level**

Work duration 48 months (42 budget)

Personal data Asel Mambetova

Duties on the Project

* Organizing and holding meetings with state administration bodies and the government at the national level
* Work with Parliament deputies
* Organizing work and regular advisory services with SALSGIR
* Development of a plan for cooperation with SALSGIR and control of implementation thereof
* Consultation with the Union of the Kyrgyz Republic Local Governments
* Organization of work and control of the work performed by senior specialist on local budget and inter-budgetary relations, specialist on local budget and specialist on local finance
* Organization of work and control of the work performed by lawyer
* Organization of work and control of the work performed by municipal service specialist
* Participation in the planning sessions
* Participation in writing program interim and final reports
* Writing articles

**ТоR. Position Legal Specialist– Project Lawyer**

Work duration 48 months (42 budget)

Personal data Orozbaev Bektur

Duties on the Project

* Inventory check of the legislative base as to introduction of priority changes for strengthening of transparency and accountability of LSGs
* Participation in the activities of the working groups for legislation development
* Expert examination of draft regulatory acts at the national level
* Expert examination of draft regulatory acts at the local level
* Development of training materials on the legal framework of local governments
* Legal examination of the project’s and partners’ training materials
* Preparation of comments to modifications in the normative base
* Writing a program report
* Writing articles

**ТоR. Position Municipal Service and Training Specialist**

Work duration 48 months (42 budget)

Personal data Nurdin Kumushbekov

Duties on the Project

* Legal, expert, organizational support to the staff of the State Personnel Service
* Participation in development of legal normative acts within the Program on Training development of state and municipal servants for 2013-2017
* Support of relations and providing trainings to educational organizations (especially regional)
* Coordination of cooperation between VAP and the State Personnel Service
* Participation in working groups under STATE PERSONNEL SERVICE on improving municipal servants’ system including municipal servants qualification
* Participation in monitoring and evaluation of municipal servants’ training conducted by STATE PERSONNEL SERVICE
* Organization of training activities for educational institutions on participation in bidding for delivery of trainings for municipal servants
* Promotion of the Unified national training and re-training system for public servants
* Legal, technical expertise on state procurement procedures for municipalities – grants recipients
* Expertise of tender documents (under the State Personnel Service, small grant program)
* Writing a program report
* Writing articles

**ТоR. Position Intergovernmental Fiscal Relations Specialist**

Work duration 48 months (42 budget)

Personal data Nazira Tulundieva

Duties on the Project

* Operational cooperation with the MoF Intergovernmental Fiscal Relations Department
* Operational cooperation with the Trust Fund
* Participation in the expert examination of regulatory legal acts on budget
* Preparation of proposals for improvement of intergovernmental fiscal relations
* Training/informing of the project staff on changes in the local budget and intergovernmental finances policies
* Development of training materials on changes in intergovernmental fiscal relations
* Preparation of publications on local budgets and intergovernmental fiscal relations
* Participation in the development of budget information formats
* Promotion of budget transparency principles
* Presentations and training delivery to CSOs, interested parties on local budget transparency evaluation (Municipal Budget Transparency Index)
* Compliance with the requirements of the monitoring and evaluation plan
* Writing internal monthly reports
* Writing articles

**ТоR. Position Municipal Finance Specialist**

Work duration 48 months (40,5 budget)

Personal data Azamat Mamytov

Duties on the Project

* Development of training materials on management of local budgets
* Monitoring of changes in the local budgets according to the results of the project activities
* Training materials revision, development and delivery of trainings to LSG financial staff
* Analysis of the introduced instruments and evaluation of the update necessity
* TA on budget transparency events
* Consultations to LSGs on design of Budget in Briefs
* Participation in the development of budget information formats
* Compliance with the requirements of the monitoring and evaluation plan
* Writing internal monthly reports
* Writing articles

**A component for execution of end-to-end tasks (headed by Chief of Party)**

**ТоR. Position Evaluation and Indicators Specialist**

Work duration 48 months (42 budget)

Personal data Medetbek Sultambaev

Duties on the Project

* Development of a questionnaire for evaluation of LSG bodies’ capacity and needs
* Development of a regular mechanism for evaluation of LSG bodies’ capacity and needs, discussion thereof with SACRD and sustainability work out
* Development of criteria for project result changes and indicators
* Training for target AOs on the skills of enquiry, questioning and analysis of results
* Study and proposal of new evaluation methods
* Aggregation of the reports provided by managers and specialists for obtaining aggregated information for internal and external project reports
* Writing articles

**ТоR. Position Mass Media and Public Relations Specialist**

Work duration 48 months (42 budget)

Personal data Nurgul Jamankulova

Duties on the Project

* Development of the Project Communication Strategy and action plan for implementation thereof
* Development of basic project information products
* Development and control of implementation of support plan for the development of local mass media
* Holding an orientation workshop on new forms of local media development
* Support of all communication and information relations with the project partners at the local and national level
* Participation in holding of PR training for target municipalities
* Writing of press-releases, success stories and articles
* Organization of activities for mass media
* Writing of a program report
* Development of project visual products, design and style
* Development of target municipalities’ models of visual and information products (information stands, banners, posters and announcements of budget activities, invitations, promotional products and bulletins)
* Management of the Project site and regular update thereof
* Mutual relations with service providers for production of visual materials (advertising agencies and printing companies)
* Advisory services to target LSGs on visualization of budget information
* Development of concepts and task orders for creation of municipalities’ sites (or rayon portals) for disclosure of budget information
* Control of site creation and data filling
* Teaching site management and data filling to municipalities’ staff
* Writing articles
* Drawing up documents, reports and presentations of the Project and target LSGs

**Short –term**

**ТоR Position Gender Expert**

Work duration 20 days

Personal data vacancy

Duties on the Project

* Advise on advocacy, policy formulation and gender sensitive local budgeting with local government actors
* Develop tools as needed for cross –cutting integration of women in decision making around governance, community change and advocacy for policy and budget formulation that is geared towards innovative gendered approaches.
* Maximize program participation and increase empowerment opportunities for currently marginalized groups
* Collect gender and age disaggregated data while performing proactive and recurrent gender analysis.
* Writing success stories and articles
* Participation in report development

**Additional expertise** is expected to be required, specific TORs tailored to the specific technical program issues/needs assessed will be identified during the course of the II phase implementation. Short-term experts will be national, though whenever gaps are identified in local expertise, International will be sought.

# Аnnex 4. List of abbreviations

AA - ayil aimak

АО – ayil okmotu

WB – World Bank

JK – Jogorku Kenesh of the Kyrgyz Republic (National Parliament)

KR – Kyrgyz Republic

LSA – local state administration (rayon level)

LC - local council (city and ayil aimak council)

LSG – local self-government

MoF – Ministry of Finance of the Kyrgyz Republic

MoE- Ministry of Economics of the Kyrgyz Republic

SACRD – KR State Agency for Construction and Regional Development (transformed into SALSGIR)

GoKR – Government of the Kyrgyz Republic

SPS - State Personnel Service/State Cadre Service

PRA- Priority/Participatory Rural Assessment

SALSGIR State Agency for LSG issues and interethnic relations under the GoKR

SCO – Swiss Cooperation Office

SDC - Swiss Development Cooperation

DFID- Department for International Development

VAP – “Strengthening Voice and Accountability: Citizens’ participation

and oversight of budget processes in Kyrgyz Republic” Project

DPI – Development Policy Institute

NGO- Non Governmental Organization

CSO - Civil Society Organization

IG - Initiative Group (local community level)

JAP - Joint Action Plan (plan of actions to respond to identified through PRAs local priorities)

M&E G- Monitoring and Evaluation Group (local community level group of residents and LSG representatives)

SDW – solid domestic waste

TA- Technical Assistance

TORs - Terms of Reference

ToT - Training of Trainers

UNDP - United Nations Development Program

USAID- US Agency for international development

EU - European Union

EC - European Council

MODEL- Community engagement/participatory budgeting/participatory budgetary process

# Annex 5. Detailed budget

Detailed budget is in the separate Excel file.

# Annex 6. Organizational structure of the Project

**VAP**

* Plans, perform implementation of the tasks, interventions at micro, meso, macro levels as per the Project design and Work plan
* Reports as per Work plan, indicators

**PSI**

**Local communities:**

**Citizens, CSOs**

**Local Self Governments:**

**Aiyl Okmotu, Local Councils**

**National policy makers:**

**Parliament**

**Prime Minister’s Office**

**SALSGIR, MoF, MoE, Regional representatives of GoKR**

**Beneficiaries and Stakeholders:**

**Development Policy Institute (DPI)**

* Designs, Implements, steers, monitors;
* Plans and reports on a yearly and half-yearly basics to SDC;
* Coordinates synergies;
* Conduct policy dialogue

**Project Steering Committee**

**(SALSGIR, MoF, Association of LSGs, Prime-Minister’s Office, NGO, SDC)**

* Approve Annual report and Annual plans;
* Define policy dialogue and donor coordination issues

**Helvetas**

**DPI**

**State Agency for LSG and Inter-ethnic relations (SALSGIR)**

* Endorse the MoU concluded between SDC and Agency
* Memorandum of Understanding with DPI

**SDC represented by SCO**

* Financing
* Overall Project Monitoring and steering
* Policy dialogue
* Donor Coordination

1. Refer to Swiss Cooperation Strategy, Central Asia, 2012-2015, and to project factsheets for more details. [↑](#footnote-ref-1)
2. On January 31, 2012, the plans of other donors for 2012 to support local governments were voiced at the national planning panel discussing the Project Logframe. Many donors stated that, with regard to the LSG sector, it was their first experience participating in public discussion on future project plans and it was very useful for donor assistance coordination. [↑](#footnote-ref-2)
3. By local service delivery VAP understands performance of basic LSG functions (issues of local importance as per the LSG Law, Article 18) using local budgets’ funds. Formation, approval and execution of local budget is on the list of issues of local importance [↑](#footnote-ref-3)